



2025 December

Henan Putihrai Sekuritas

**Indonesia's 2026 Market Outlook:
The New Regime**

Research & Analytics Unit

Market Update



1. Global Dynamics: Politics & Policy

2. Domestic Dynamics: Pedal to the Metal

3. Sectoral Update

4. Prospect for Equities

5. Henan Sekuritas Portfolio Universe



Fiscal & Monetary Policy Fuel Expansion

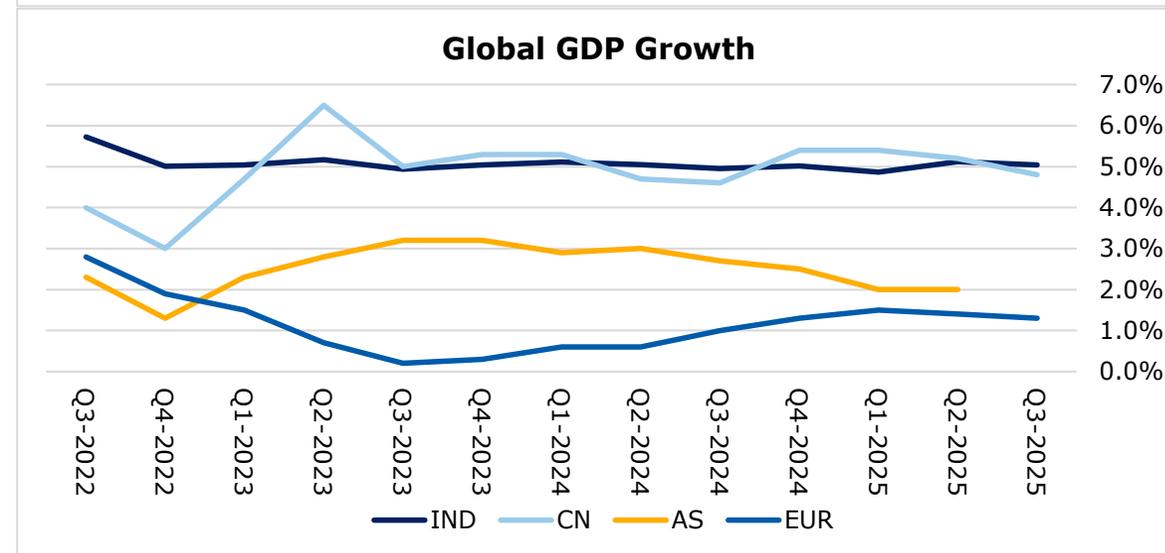
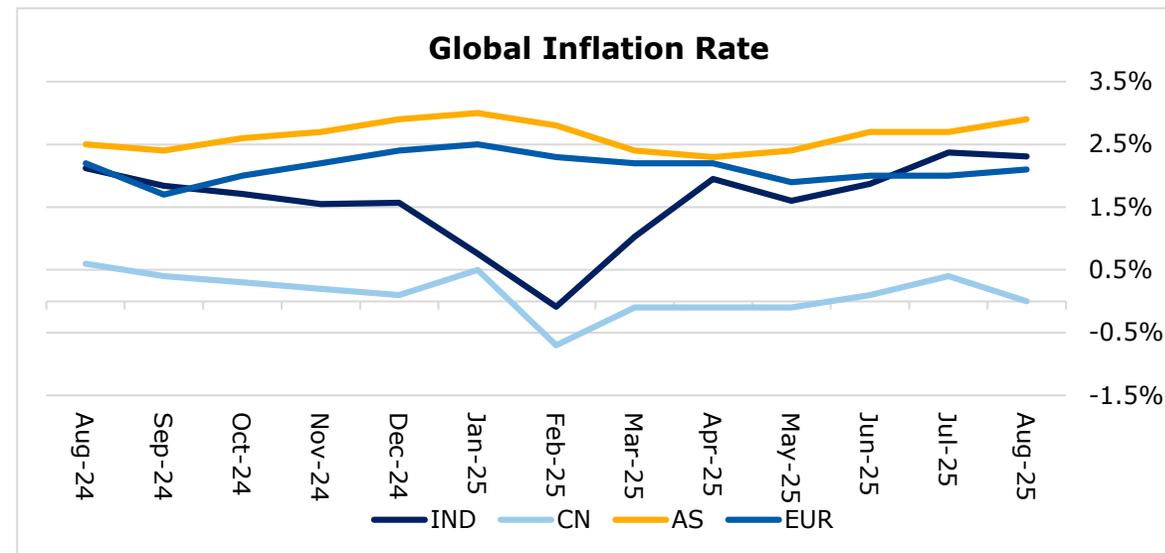
Geopolitical events (tariffs, conflict) dominate the headlines, but the bigger story for 2026 is fiscal deficit and easing monetary policy. This is true in the US, Europe and Asia. We expect GDP growth to accelerate into 2026 across regions, albeit unevenly and with risks. China has been slowing again, with corporate and consumer confidence have been subdued and October data weak. Hi-tech manufacturing is still receiving gov't support, but we expect China's commodity demand to be soft.

Bumpy Road to Rate Cuts

An abundance of liquidity has its risks: inflation or asset bubbles. A weak US labor market is keeping the Fed confident that inflation expectations will be manageable. But with all this stimulus, if inflation does firm up, there's the risk of rate cuts being put on hold. But our baseline view is that the Fed will proceed with rate cuts to the natural 3% by FY26. Upcoming events in 1H26 offer Trump opportunities to exert significant influence over monetary policy. Erosion of the Fed's independence and Fed rate cuts could see dollar weaken further, driving pivot to EM.

Asset Bubbles

AI bubble talk has been the rage for months. S&P500 forward P/E is at 23x, with tech trading at 31x. Risks exist: a high-profile flop, capacity constraint or external shock could trigger a downturn. But there is a key difference with the dot com bubble: financial health of AI megacaps. Still, a turn from euphoria to despair could shift sentiment altogether and the low exposure to technology of certain markets suddenly looks more appealing.



Source: Factset, HP Analytics



1. Global Dynamics: Politics & Policy

2. Domestic Dynamics: Pedal to the Metal

3. Sectoral Update

4. Prospect for Equities

5. Henan Sekuritas Portfolio Universe



Stable 3Q25 Growth with Controlled Inflation

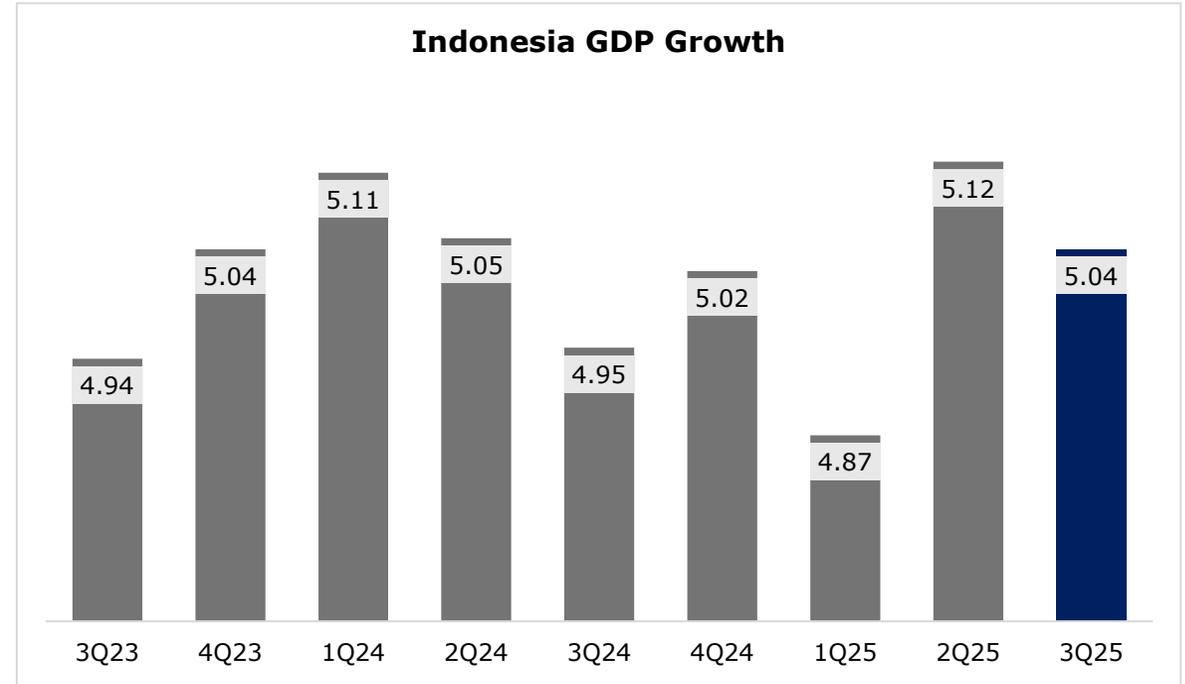
3Q25 GDP growth slowed to 5.04% YoY, in line with consensus, vs. 5.12% in 2Q25. Household consumption, investment and exports slowed to 4.89%, 5.04% and 9.91%. However, government spending accelerated considerably to 5.49%. Inflation accelerated to 2.86% YoY in October, but we expect inflation to normalize ahead. Going ahead, we expect GDP to end the year at 5.0% and hit 5.1% in 2026 on the government’s pro-growth policies.

Unlocking The War Chest

The appointment of a new MoF has shifted fiscal policy into high-gear. The unlocking of budgets and stimulus beginning in June has led to improvements and we’re expecting more recovery as more stimulus and spending kicks in. 4Q25 saw a combined stimulus package of IDR 46.7 T stimulus package (~0.3% GDP), aimed at stimulating mass-market consumption. For FY26, the expected fiscal deficit has widened from 2.48% to 2.68% under the current MoF – with spending rising in critically social assistance, energy subsidies and key gov’t programs (MBG, KDMP).

Dovish Monetary Policy

We see the dovish monetary policy supporting growth and driving a stronger equity market performance and valuation re-rating. YTD, Bank Indonesia has delivered 125 bps BI rate cuts, SRBI yields have declined 260 bps to 4.7% and IDR 271.7 T net maturity in SRBI. The MoF’s IDR 276 T state fund placement accelerating transmission, with M2 growth at 8%. Bank Indonesia still plans to deliver more rate cuts and we anticipate 2-3x 25 bps rate cuts, though the pace will be contingent on the Fed.



Source: BPS, HP Analytics

Rerating Potential Unlocked

JCI is currently at 15.4x FY26F P/E, hovering ~-0.5 s.d. of JCI 10-year average. We think that there is room for rerating with the government's shift to pro-growth policies, with foreign inflow making a return in September-November and domestic institutional investors driven to search for yields amid bond yield compression.

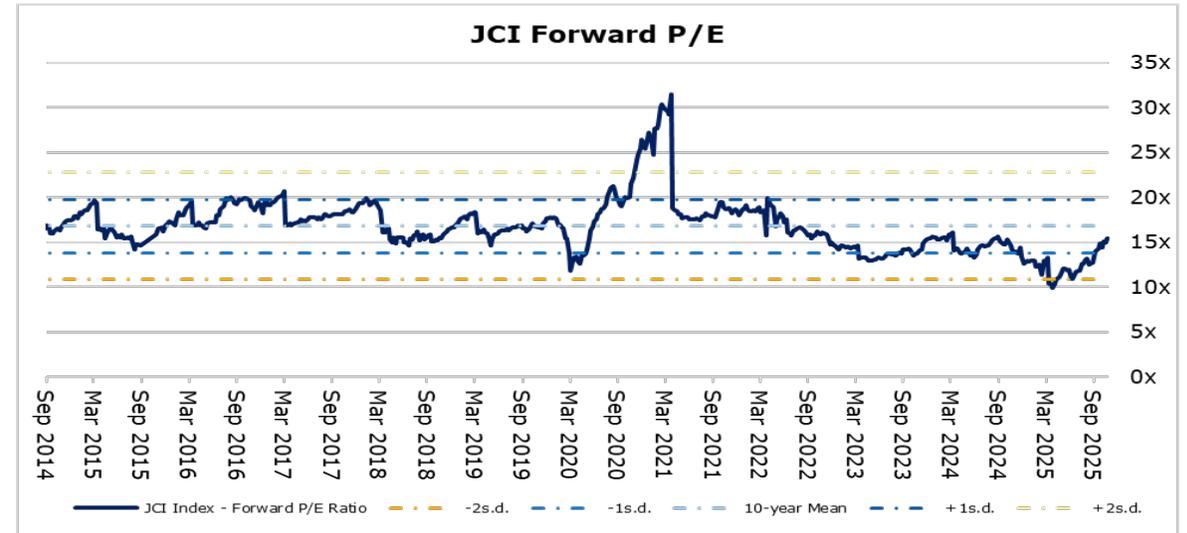
Pro-Growth Policies to Support Consumption and EPS Growth

We anticipate the gov't stimulus packages to provide strong support to the troubled domestic consumption. A revitalization of domestic consumption, especially mass-market consumption, by the government's pro-growth policies could lead to positive EPS growth revisions and entice foreign investors to return to the market.

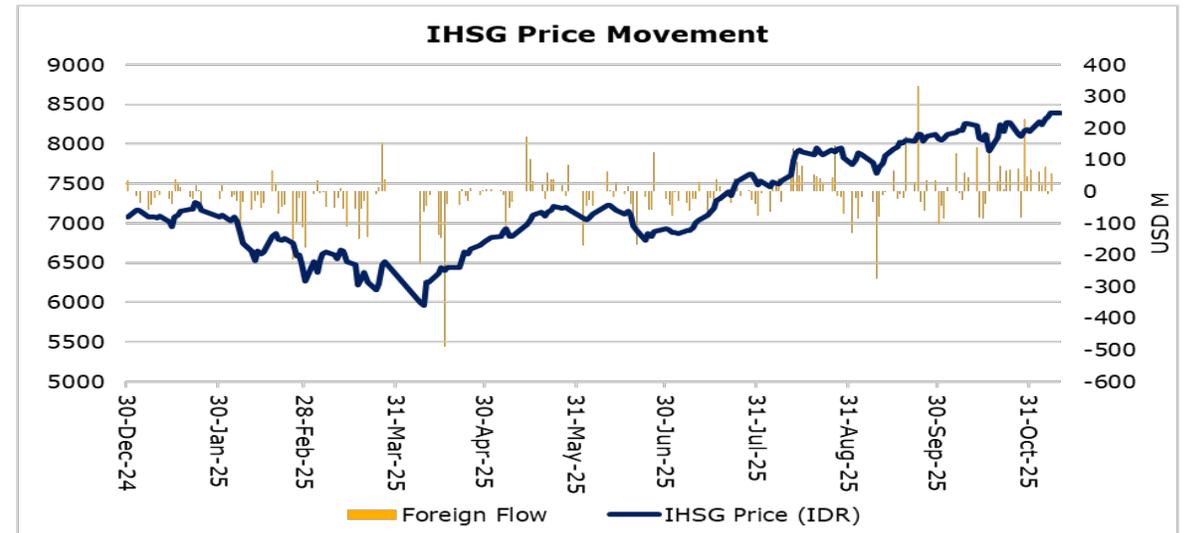
Yield Compression Amidst Liquidity Flush

With the Ministry of Finance's IDR 276 T state fund placement and Bank Indonesia's dovish policies on rate cuts, net maturity of SRBI securities, etc., the yields on Indonesian government bonds have been compressed following improving liquidity conditions, with 1-year bond yield and 10-year bond yield declining 250 bps to 4.5% and 80 bps to 6.1%.

With declining bond yields, we believe this will trigger a search in yield among institutional investor. With bond yields low and special rate deposits in decline on liquidity flush, equity has become relatively attractive. LQ45 dividend yield currently stands at 5.2%, a 70-bps premium over 1-year bond yields. LQ45 dividend yields have been consistently beneath 1-year bond yields save for a few exemptions in 2020-21.



Source: Bloomberg, HP Analytics



Source: Factset, HP Analytics

Rupiah Stability – Likely Vulnerability

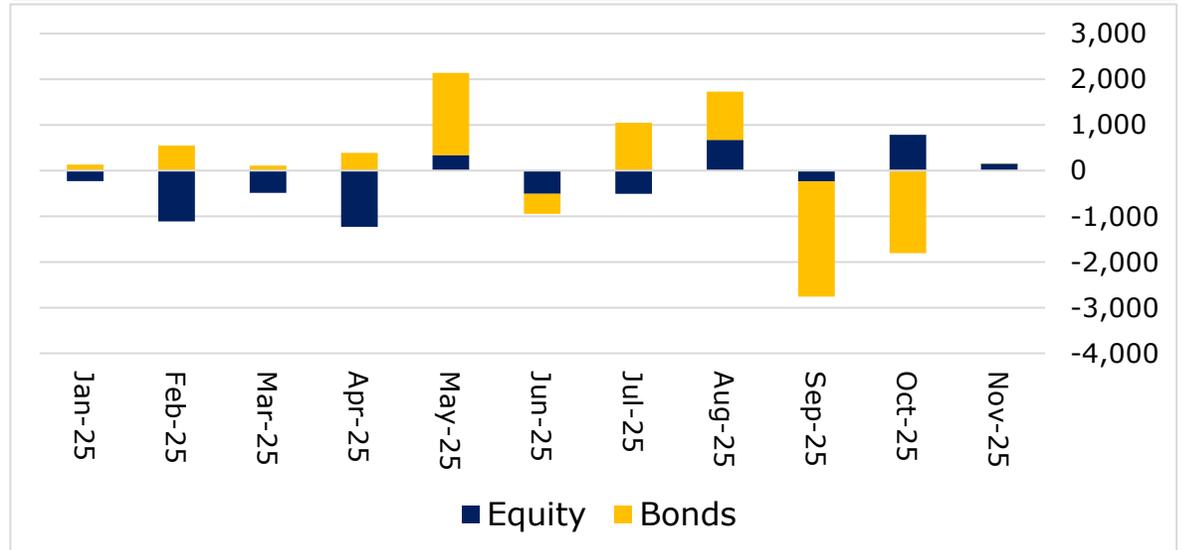
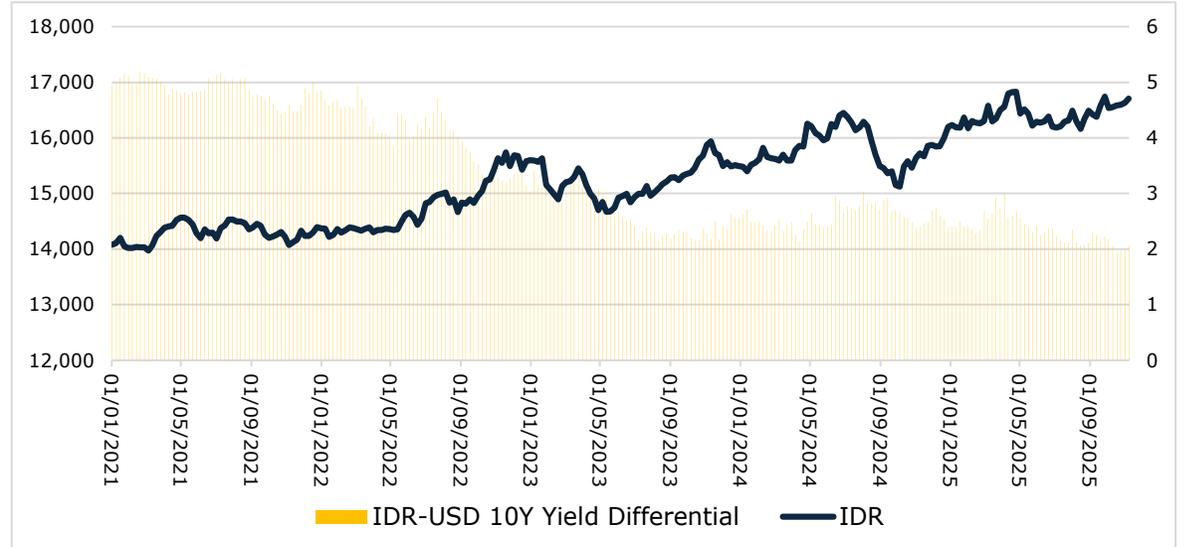
The government’s pivot to pro-growth policies will leave the rupiah vulnerable in the near-term. The higher 2026 fiscal deficit will have to be financed through heavier bond issuance as foreign investors have begun trimming exposure to Indonesian government bonds. The relative attractiveness of Indonesian bonds has been diminished as the yield differential between US and Indonesian bonds has declined. Import heavy sectors such as consumer staples, consumer discretionary, cement are vulnerable to rupiah depreciation whereas commodity producers benefit from rupiah depreciation.

Foreign Flow – Divergence in Equity and Bonds

Since Sep-25, there’s been a divergence between foreign equity and bond investors. Foreign equity investors have become more constructive on a sequential improvement in 4Q earnings, with foreign inflow of USD 547.7 M over Sep-Oct 25. On the other hand, there has been a sharp net foreign outflow of USD 4.3 B in the bond market over Sep-Oct 25. Foreign bond investors are more skeptical on the fiscal discipline of the Ministry of Finance over the shift from stability to growth.

External Risks Remain

The market has responded positively to recent developments that have reduced geopolitical tensions such as the US-China meeting in South Korea and the Gaza ceasefire. Still, the peace from these events are fragile, with resumption of conflict or continued tension probable. Moreover, global inflationary pressures from tariffs and stimulus could lead to delays in the Fed’s easing cycle and rising financial market risks might lead to global risk-asset repricing.



Source: Bloomberg, HP Analytics



1. Global Dynamics: Politics & Policy

2. Domestic Dynamics: Pedal to the Metal

3. Sectoral Update

4. Prospect for Equities

5. Henan Sekuritas Portfolio Universe



After a weak 1H25 on tight system liquidity and asset quality pressures, the banking sector performance improved QoQ in 3Q25.

Industry loan growth picked up from 7.0% in Jul-25, the slowest pace in three years, to 7.4% YoY in Oct-25. Liquidity is set to improve on accelerating fiscal spending, BI rate cuts and IDR 276 T MoF state fund placement, with M2 growth hitting 8% in Sep-25. Deposit growth outpaced loan growth at 11.2% YoY, easing LDR to 84.2%. We anticipate 4Q25 and FY26 to see loan growth acceleration and for loan volume to be the key earnings driver.

FY26 NIM outlook is a mixed bag. We remain constructive on CoF, with banks reporting easing CoF pressures in Sep-25, and expect this to continue in 4Q25 and beyond. However, we anticipate lower benchmark rates and competition to drive loan yields lower, particularly corporate yields. Hence, we expect NIM outlook to be mixed.

In terms of asset quality, industry NPL was relative stable at 2.2% in September. But there have been persistent pockets of quality stress, namely in the consumer and MSME segments. Banks have been drawing down provision buffers set up during the pandemic and we think credit cost risks skew upwards in FY26.

Hence, we remain selective on the banking sector, with BBCA, BRIS and ARTO as our top picks. BBCA remains top of the class in its ability to maintain to profitability. BRIS is a unique player in the Indonesian banking sector with its dominant position in the Islamic banking sector and its bullion bank status. ARTO is one of the biggest beneficiaries of improved liquidity and has been scaling rapidly.

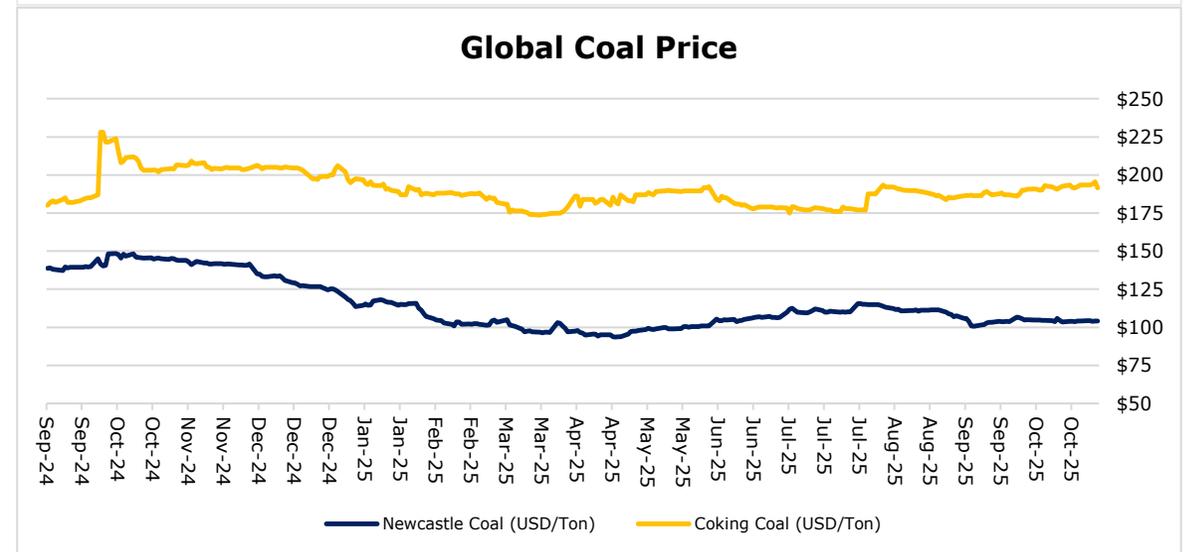
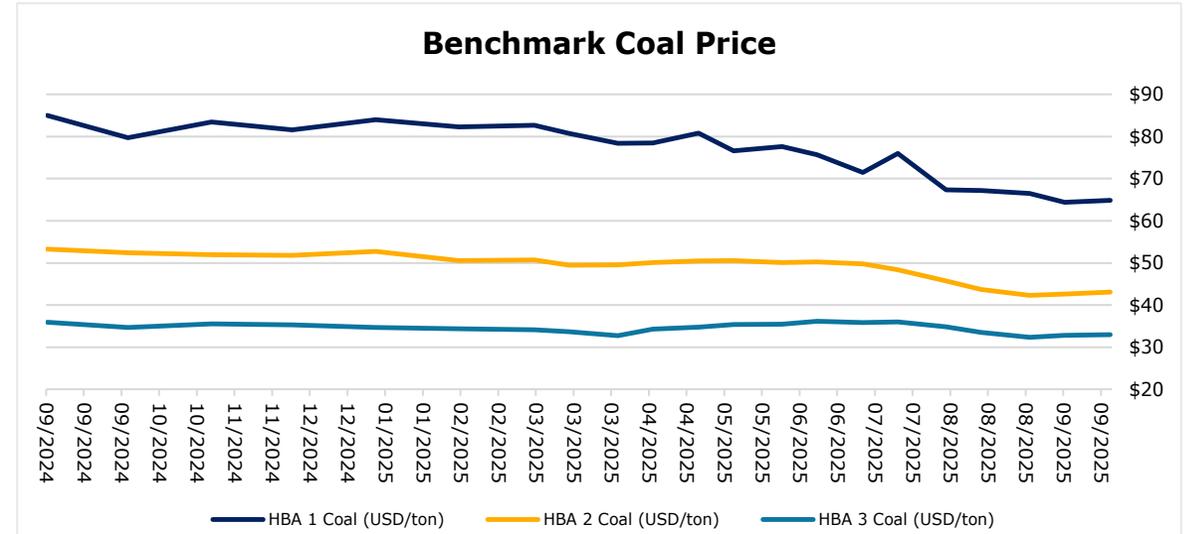
Loans / Credits in Rupiah & Foreign Currency (IDR Tn)	Sep-24	Aug-25	Sep-25	MoM	YoY
Loans by Business Sector					
Public Administration, Defense, and Mandatory Social Security	1.3	1.4	5.1	264.1%	296.4%
Electricity and Gas Supply	179.5	207.0	222.9	7.7%	24.2%
Mining and Quarrying	312.3	369.3	380.7	3.1%	21.9%
Health Services and Other Activities	41.5	49.5	50.2	1.5%	21.1%
Transportation and Warehousing	254.4	302.6	305.0	0.8%	19.9%
Water Supply, Waste Management, Waste Treatment, and Recycling	11.7	13.0	13.8	5.7%	17.3%
Other Services	143.4	160.8	161.6	0.5%	12.7%
Education Services	18.4	19.9	20.4	2.2%	10.9%
Corporate / Business Services	118.2	123.1	130.2	5.8%	10.2%
Manufacturing Industry	1,120.8	1,204.3	1,218.9	1.2%	8.7%
Real Estate	238.1	250.6	253.7	1.2%	6.6%
Information and Communication	190.1	199.3	200.6	0.6%	5.5%
Financial and Insurance Services	420.8	435.7	438.0	0.5%	4.1%
Agriculture, Forestry, and Fisheries	546.7	575.1	567.4	-1.3%	3.8%
Accommodation and Food Services	139.5	141.8	144.0	1.5%	3.2%
Wholesale and Retail Trade, Motor Vehicle and Motorcycle Repair	1,211.0	1,209.5	1,225.4	1.3%	1.2%
Construction	414.2	403.2	404.8	0.4%	-2.3%
Total	5,361.8	5,666.2	5,742.6	1.3%	7.1%
Loans to Non-Business Sector (Household Consumption)					
Others	1,246	1,334	1,346	0.9%	8.1%
Residential House	709	759	762	0.4%	7.4%
Shop House (Ruko) and Office House (Rukan)	29	30	30	0.2%	6.7%
Flats and Apartments	31	32	32	-0.1%	4.8%
Motor Vehicles	138	140	139	-1.1%	0.7%
Total	2,152	2,296	2,309	0.6%	7.3%
Total Loans to Business and Non-Business Sectors	7,513.7	7,961.7	8,051.9	1.1%	7.2%
Third-Party Funds (IDR Tn)					
Giro	2,423.9	2,707.4	2,748.8	1.5%	13.4%
Time Deposits	2,951.8	3,117.2	3,123.2	0.2%	5.8%
Savings	2,603.3	2,695.4	2,746.5	1.9%	5.5%
Total	7,979.0	8,520.0	8,618.5	1.2%	8.0%

Source: Bank Indonesia, HP Analytics

Thermal coal markets are softening as demand plateaus and supply remains abundant. China and India are reducing import needs due to strong domestic output and rising renewables, while exporters like Indonesia and Australia continue to produce at high levels, creating a structural surplus. With demand expected to remain flat to slightly lower and supply still robust, pricing pressure is likely to persist, with only temporary support from weather-driven power use or gas-to-coal switching.

China’s steel output fell to a 21-month low in Sep25, with YTD production down 2.9% y/y, signaling ample domestic coking coal availability. At the same time, global suppliers have trimmed exports amid weak prices, keeping the market well-balanced. As a result, coking coal has averaged ~USD185/t over the past three quarters. Looking ahead, we expect prices to edge slightly higher to USD185–190/t in 4Q25, supported by seasonal winter restocking, albeit capped by elevated inventory levels.

Looking ahead, coal demand will continue to receive support from rising power needs in emerging and developing economies, though faster renewable deployment will gradually reduce coal’s share in the global power mix. India is expected to remain the key driver of demand growth, as renewable capacity is not yet sufficient to meet its rapidly expanding electricity consumption. In contrast, China’s coal consumption is set to plateau, constrained by slowing power sector demand and the accelerating build-out of renewables.

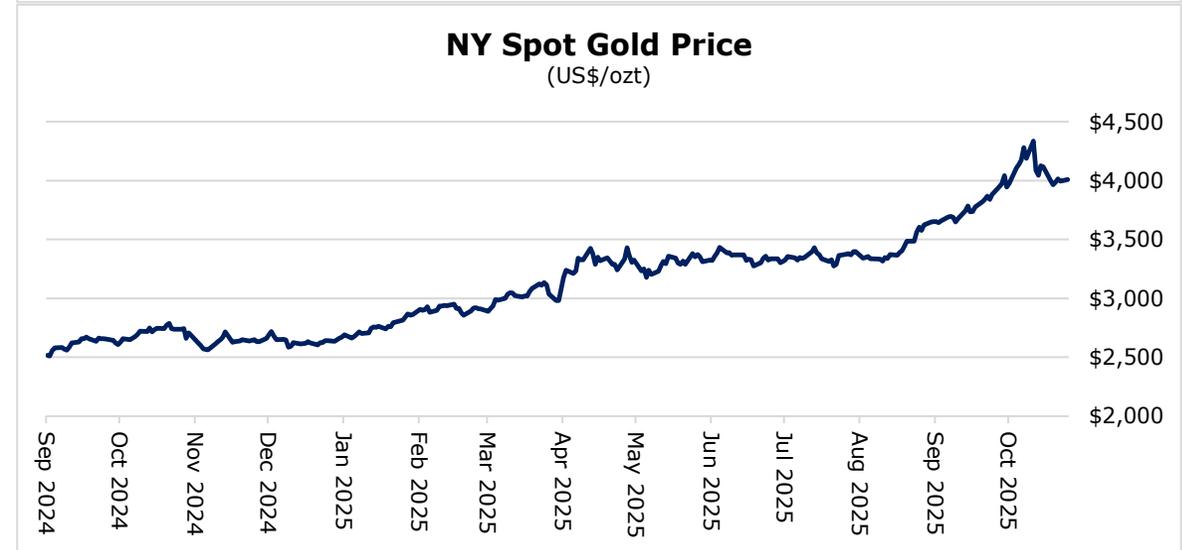
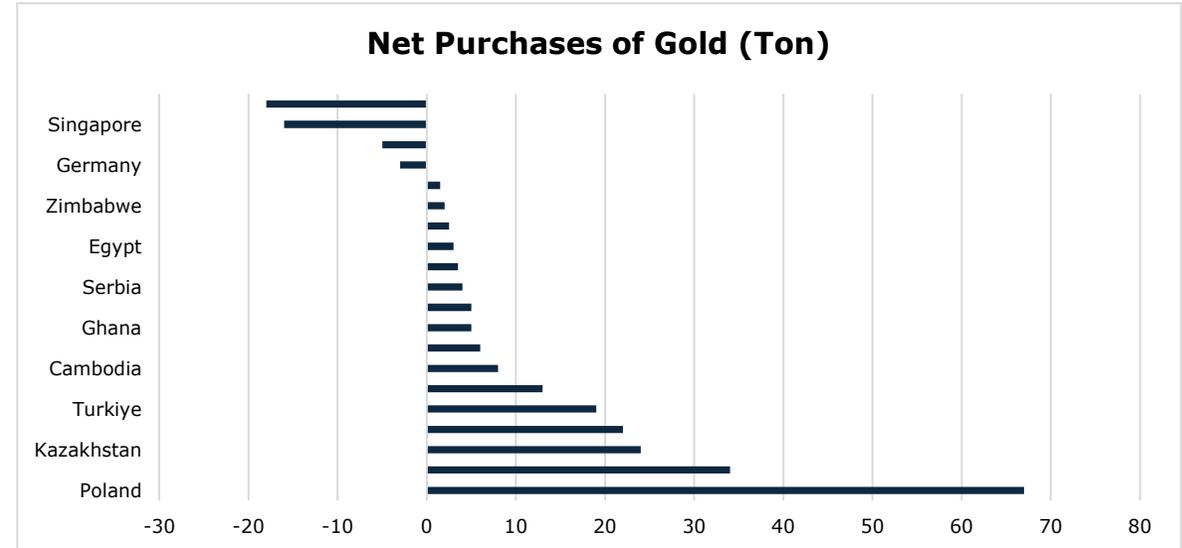


Source: Bloomberg, Directorate General of Mineral and Coal, HP Analytics

Strong gold demand, largely driven by central banks, accounted for around 17–20% of global consumption. Between 2022 and 2024, net purchases by central banks more than doubled the average level seen in the previous decade. This momentum has continued into 2025, led mainly by emerging-market central banks. On the supply side, gold production remains constrained and fragmented, as extraction yields only about 0.5–5 grams of gold per ton of ore. Year to date, gold prices have surged by approximately 53%, reaching around USD 4,000 per ounce.

Central banks’ motivations for holding gold include: i) Crisis hedge: Gold’s proven resilience during periods of financial and geopolitical turmoil remains the primary reason for its accumulation. ii) Portfolio diversification: Rising geopolitical risks have reinforced the role of gold as a strategic diversifier within reserve portfolios. iii) Evolving reserve strategy: Over the next five years, central banks are expected to increase the share of gold in their reserves, while gradually reducing their exposure to the U.S. dollar.

President Trump’s expansive fiscal agenda, his “One Big Beautiful Act” fueled expectations of higher borrowing and inflation, sparking concerns over the Federal Reserve’s independence. Market doubts about policy discipline pressured real yields and the U.S. dollar, driving investors toward gold as a hedge against inflation and fiscal credibility risks. The surge in gold prices thus reflected a broader flight to safety amid uncertainty over U.S. fiscal and monetary stability.



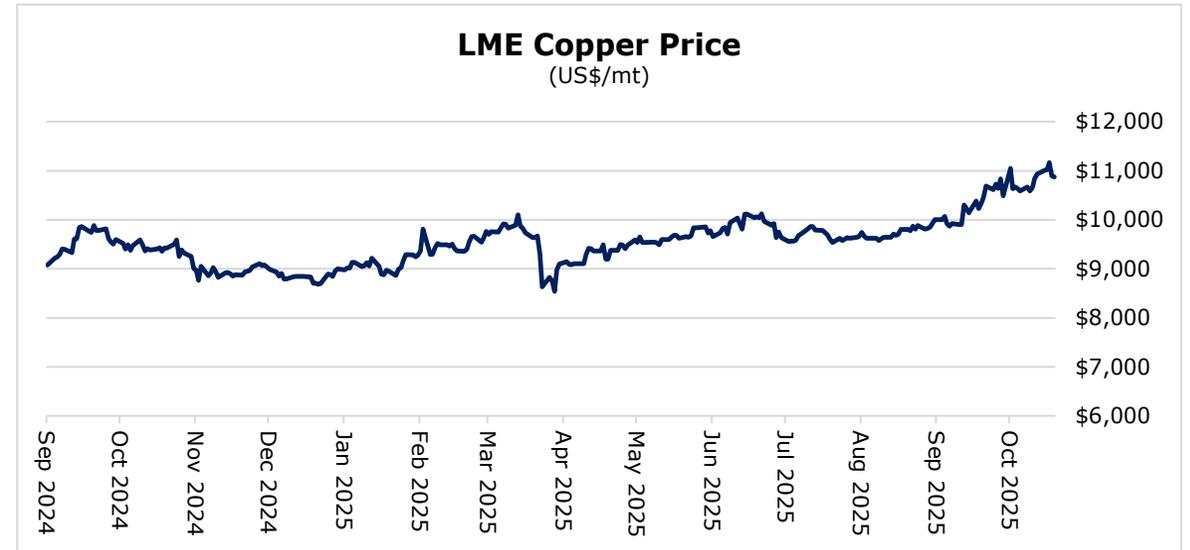
Source: Bloomberg, World Gold Council, IMF, respective Central Banks, HP Analytics

Copper prices hit their highest since May-24, supported by mine disruptions and a softer U.S. dollar. Slower growth in mine output versus smelter capacity expansion has tightened the concentrate market, limiting feedstock availability and sustaining upward price pressure. Persistent supply constraints continue to underpin a bullish outlook for copper. Additionally, operational setbacks, notably the mud inflow at the Grasberg mine, which cut output by roughly 250 kt have further amplified supply shortfall risks.

Global refined copper demand is poised to strengthen, supported by Chinese stimulus, rising auto sales, and improving manufacturing activity. Growth is projected to accelerate from +3.7% y/y in 2024 to +3.8% y/y in 2025, driven by the ongoing energy transition boosting EV adoption, power infrastructure and data center investments and China’s exports of copper-intensive goods such as electronics, vehicles, and home appliances. Chinese demand alone is expected to rise +3.3% y/y, with upside potential from a real estate recovery.

In 2025, copper demand will hinge on EV and data-center investment themes. Global auto sales are projected to increase +1.7% y/y (S&P Global Mobility), while Chinese auto sales surged +11.4% y/y in 1H25, aided by EV subsidies and new model launches. Expanding power transmission and distribution networks for renewables will further lift consumption, alongside data-center growth potentially adding 3.4mn tons of annual copper demand by 2050.

Copper Forecasts	2023	2024	2025E	2026E	2027E
Mined output (k tons)	22,449	23,133	23,827	24,061	25,090
Change y/y (%)		3.0%	3.0%	1.0%	4.3%
Smelter output (k tons)	19,723	20,320	20,956	21,878	22,751
Change y/y (%)		3.0%	3.1%	4.4%	4.0%
Refined output (k tons)	26,162	27,089	28,188	29,069	29,793
Change y/y (%)		3.5%	4.1%	3.1%	2.5%
Refined use (k tons)	25,973	26,856	27,946	28,975	29,996
Change y/y (%)		3.4%	4.1%	3.7%	3.5%
Refined balance (k tons)	189	233	242	94	203
Change y/y (%)		23.3%	3.9%	-61.2%	-316.0%
Total stocks	4,318	4,554	4,773	4,862	4,908
Change y/y (%)		5.5%	4.8%	1.9%	0.9%
LME price (USD/ton)	8,517	9,261	9,721	9,875	10,289
Change y/y (%)		8.7%	5.0%	1.6%	4.2%
LME price (USD/lb)	3.86	4.20	4.41	4.48	4.67
Change y/y (%)		8.7%	5.0%	1.6%	4.2%



Source: Bloomberg, World Bureau of Metal Statistics, HP Analytics

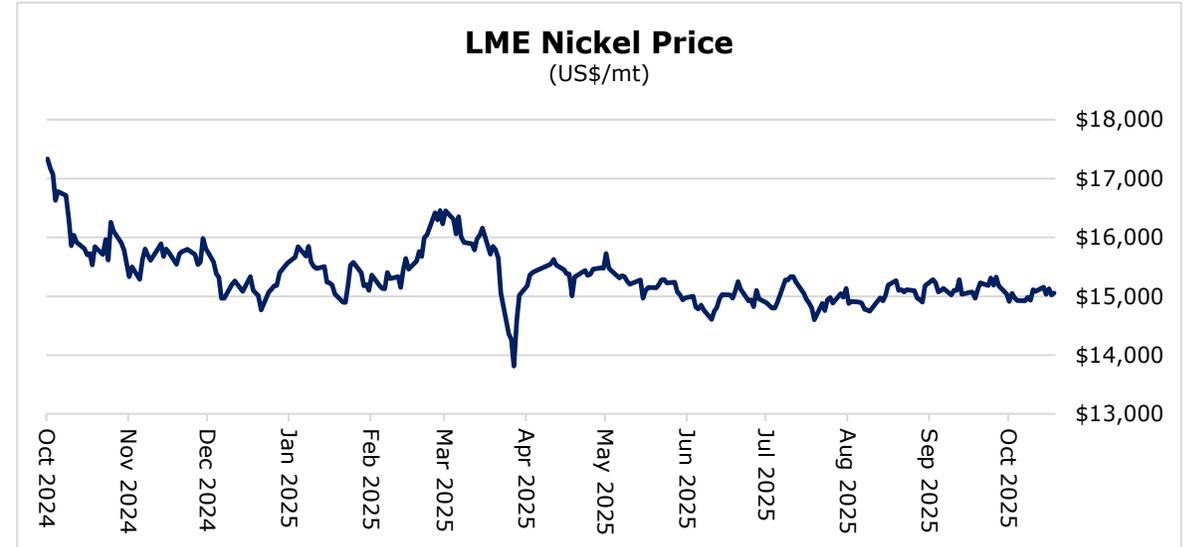
LME nickel price was USD15,213/ton on 31Oct, retreating by -7.6% from the peak prices of USD16,460/ton in Mar25. While LME nickel declined by 1.6%, LME warehouse stock increased by 42% at c.220k tons. LME nickel prices are stabilizing at USD15k/ton level since Jul25, signalling the rock bottom of the prices.

We expect global nickel demand growth to decelerate to 4.6%/y/y in FY25E, mainly driven by slower demand from stainless steel at 4%/y/y. Based on 1H25 data, Chinese crude stainless-steel output was 20.5mn tons (+5.4%/y/y), and apparent consumption registered 17.2mn tons (+3.1%/y/y) suggesting oversupplied market. On the other hand, nickel demand growth in rechargeable battery is expected to register a 10% in FY25E, on the back of EV market recovery outside of China.

On the supply side, we're expecting supply growth to accelerate to 8.9%/y/y in FY25E, on the back of continuous growth in Indonesia and output recovery in New Caledonia after a six months shut down prompted by riots.

We foresee the nickel market surplus to widen to ~392k tons in FY25E, from 198k tons in FY24, as refined nickel supply growth backed by capacity expansion in Indonesia is likely to overwhelm nickel demand growth. As a result, we're expecting FY25E LME nickel price to decline by 9%/y/y to USD15,300/ton and recover to USD16,000/ton in FY26E at the narrowing surplus.

Nickel Forecasts	2023	2024	2025E	2026E	2027E
Nickel mine production (k tons)	3,677	3,784	4,119	4,522	4,846
Change y/y (%)		2.9%	8.9%	9.8%	7.2%
Refined nickel production (k tons)	3,397	3,562	3,912	4,078	4,254
Change y/y (%)		4.9%	9.8%	4.2%	4.3%
Refined nickel consumption (k tons)	3,189	3,365	3,519	3,703	3,900
Change y/y (%)		5.5%	4.6%	5.2%	5.3%
Stock (k tons)	78	199	300	300	300
Change y/y (%)		155.1%	50.8%	0.0%	0.0%
Balance (k tons)	208	198	392	375	354
Change y/y (%)		-4.8%	98.0%	-4.3%	-5.6%
LME price (USD/ton)	21,474	16,812	15,300	16,000	16,500
Change y/y (%)		-21.7%	-9.0%	4.6%	3.1%

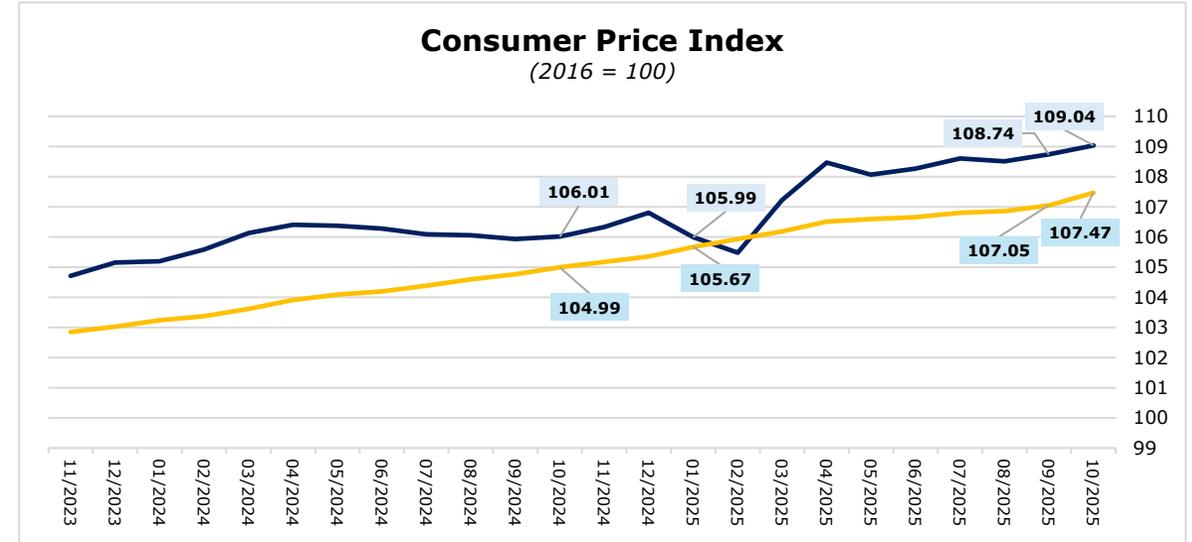


Source: Bloomberg, World Bureau of Metal Statistics, HP Analytics

Low inflation and rising real incomes aided by government policy are broadly supportive for retailers heading into 2026. Inflation remains relatively controlled, with Bank Indonesia reporting Oct-2025 CPI rising 2.9% YoY and core inflation up 2.4% YoY. Government policy is also aimed at improving domestic consumption through policies such as accelerated budget disbursements, stimulus packages and efforts to strengthen youth employment.

Retail saving balances have noticeably been improving, with the formal employment recovering since Jun-25 and fiscal spending acceleration. The government’s fiscal packages have been largely aimed at addressing grassroots economic weakness, with the “8+4+5” stimulus package and the additional October stimulus package focused on food aid (IDR 7 T), cash-for-work schemes (IDR 5.3 T), and cash transfers (IDR 30 T).

Heading into 2026, we anticipate spending capacity to recover, though we see sustainable recovery requiring structural employment improvements. Hence, we favour AMRT as a major beneficiary to this spending recovery and MAPI for its focus on the resilient mid-upper income segment.

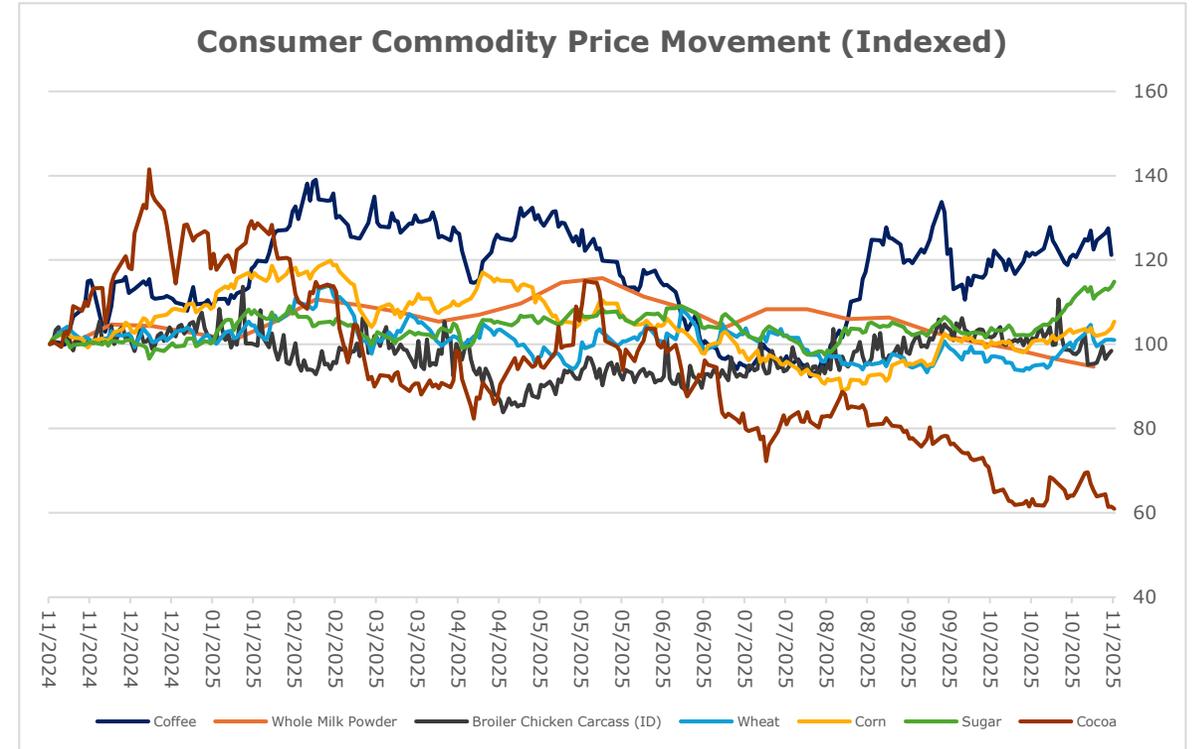


Source: Bank Indonesia, HP Analytics

Heading into 2026, we believe that the worst is largely over for staples. The new pro-growth trajectory in fiscal policy (accelerated government spending, stimulus packages) should be positive to demand recovery, with the biggest beneficiaries being second and third-tier cities. Given the small ticket size, we anticipate consumer staples to be a major and an early beneficiary of the pro-growth fiscal policies.

On raw materials, we anticipate mixed price trends to impact profit margins. Wheat, sugar and whole milk powder are expected to remain stable, whereas cocoa is expected to ease while coffee is set to remain elevated on persistent global supply issues. Poultry oversupply conditions this year have stabilized in tandem with easing feed costs, leading to firmer prices and higher margins for producers. Going forward, we favor CMRY, FORE, and JPFA as our consumer F&B picks given their ability to capture recovering consumer demands while sustaining margins. Key risk remains rupiah depreciation, raising import costs.

On tobacco, after years of annual duty increases to curb smoking, the new Finance Minister Purbaya Yudhi Sadewa announced a pause on planned excise hikes, citing pressures on employment and a trend of smokers downtrading to cheaper, illegal cigarettes. The government has effectively frozen tobacco excise hikes and moved from "gempur rokok ilegal" raids toward an amnesty program for unlicensed producers. With margins preserved by the excise freeze and demand improved through illegal volume absorption, legal cigarette producers such as HMSP should gradually regain both sale volume and profitability.

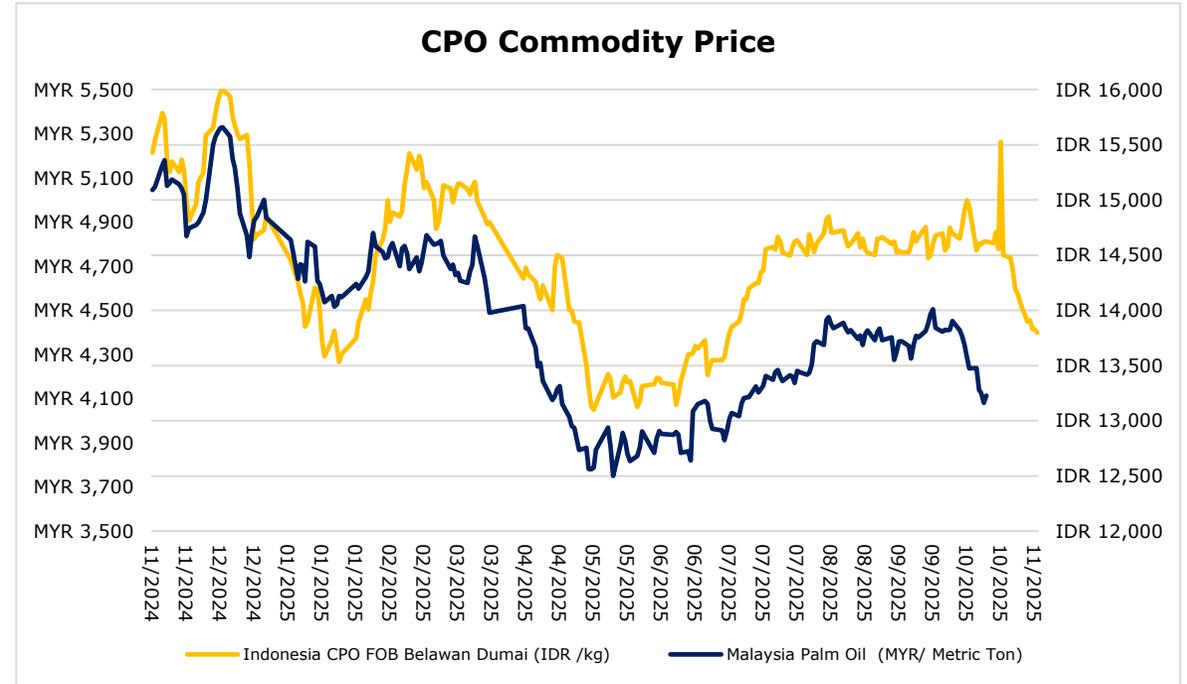


Source: Various Sources, Bloomberg, HP Analytics

Palm oil stands to benefit from trade deals and policy-driven demand. In September 2025, Indonesia finalized a CEPA (Comprehensive Economic Partnership Agreement) with the European Union that eliminates most duties on Indonesian exports (including palm oil), which it includes a "Protocol on Palm Oil" for sustainable production and trade cooperation, thereby eliminating the export ban Indonesian CPO had in the past.

Domestically, the B50 biodiesel mandate is a key offset for CPO demand. Indonesia is moving from B40 to B50 in 2026, which should raise domestic CPO demand from ~15.6 million KL (under B40) to ~20.1 million KL (B50) per year. In effect, more palm oil will be used in diesel blending, propping up local prices.

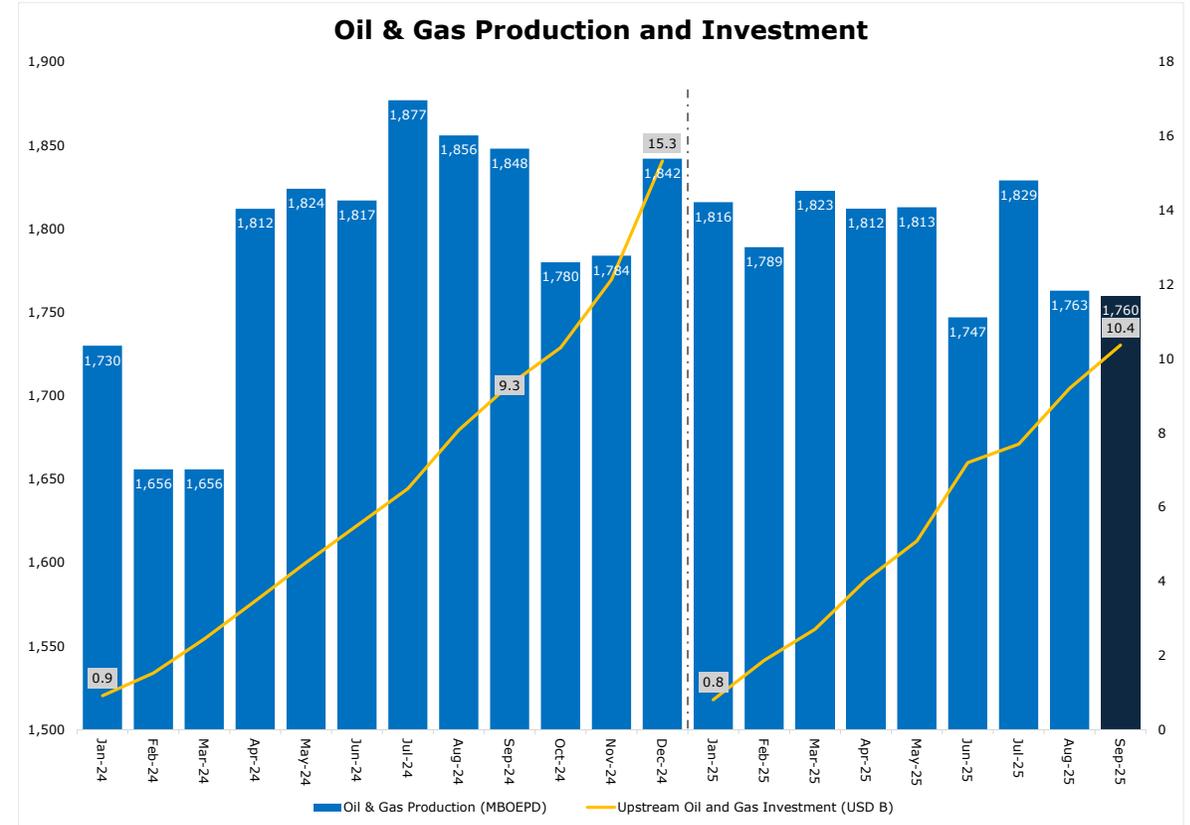
Meanwhile, weather (ENSO) is supportive for CPO producers such as TAPG. Indonesia has been under La Niña (wetter conditions), which is expected to persist through late 2025 to early 2026, with a transition to ENSO-neutral by early 2026. That generally means normal-to-above rainfall for Indonesia, which favors palm fruiting and could lift production and prevent drought losses.



Source: Bloomberg, HP Analytics

OPEC+ is continuing to unwind production cuts, with a 547k bpd increase in Sep25 completing the 2.2mmbpd reduction and potentially paving the way to reverse earlier cuts. Despite rising supply, oil prices have remained stable, giving OPEC+ confidence to pursue market share. The supply boost comes amid uncertain demand, adding volatility to the market alongside US policy unpredictability under Trump. Any price spikes are likely capped by ample supply and domestic concerns, keeping our Brent forecasts at USD 70/bbl for FY25E, and around USD 65-70/bbl in FY26E.

The Ministry of Energy and Mineral Resources (ESDM) announced the IOG 4.0 initiative to reach a target of 1mn bopd + 12bn bscfd of gas by 2030, the government will implement several key strategic pillars, such as, Improving existing asset value, Resources to production conversion, Exploration for giant discoveries, Enhanced Oil Recovery (EOR) and mature field revitalization, Supplier competitiveness/national capability, National decommissioning strategy, Digitalisation/data & process transformation, Investment & commercialization model. Looking ahead, higher oil and gas production targets are expected to serve as a positive catalyst for RAJA & RATU.



Source: SKK Migas, HP Analytics

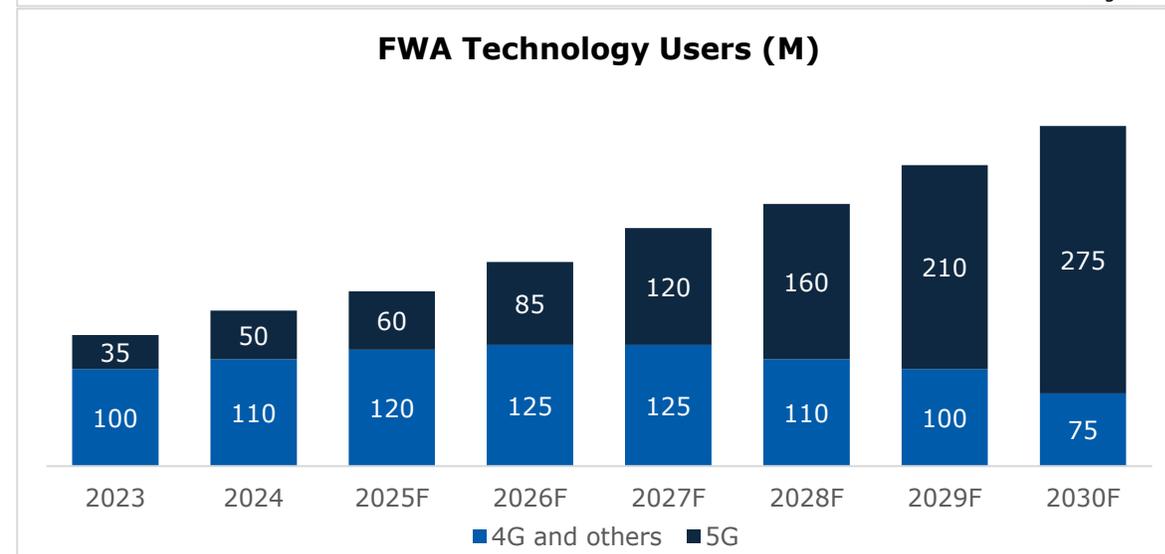
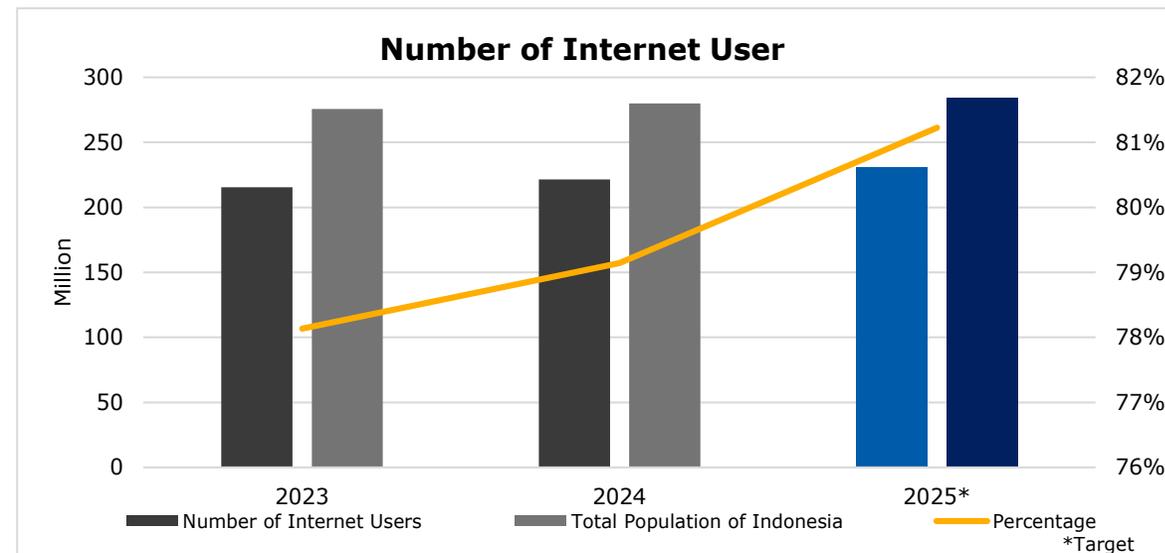
USD per barrel	FY22	FY23	FY24	FY25E	FY26E	LT
Avg Brent Crude Oil Price	\$99	\$82	\$80	\$70	\$65	\$70
Change y/y (%)	39.4%	-17.2%	-2.4%	-12.5%	-7.1%	7.7%

Source: Bloomberg, SKK Migas, HP Analytics

Indonesia is accelerating modern connectivity development through public-private partnerships, with PT Indonesia Infrastructure Finance (IIF) having disbursed Rp42.5 T across more than 150 strategic projects. The government has also allocated Rp9.6 T in the 2026 draft budget for National Strategic Projects such as roads, dams, airports, and ports. Through the PU 608 Program, the Ministry of Public Works targets improved investment efficiency (ICOR < 6), near-zero poverty, and economic growth of up to 8% annually, emphasizing infrastructure’s role in supporting long-term national development.

Broadband affordability remains a key barrier to inclusive digital access in Indonesia. With average fixed broadband prices around IDR 300,000 per month, internet costs account for up to 13.8% of income in lower-wage provinces such as Central Java and Yogyakarta, compared to around 5.6% in higher-wage regions like Jakarta. This gap underscores the need for more cost-efficient connectivity solutions.

We view 5G Fixed Wireless Access (FWA) as a key catalyst for broadband expansion, delivering speeds of around 100 Mbps without the need for extensive fiber rollout. Its flexibility makes it effective for both dense urban areas and regions with limited infrastructure, serving as a scalable complement to fiber networks. In FY26F, regulatory support, investment incentives, and collaboration between operators and government will be essential to accelerate deployment. Successful FWA adoption can enhance digital inclusion, improve household connectivity, and enable broader digital adoption across education, healthcare, and small businesses. We expect WIFI to play a central role in supporting this agenda.



Source: Ministry of Communication and Information Technology, APJII, Ericsson, HP Analytics



1. Global Dynamics: Politics & Policy

2. Domestic Dynamics: Pedal to the Metal

3. Sectoral Update

4. Prospect for Equities

5. Henan Sekuritas Portfolio Universe



Equity Market

- We maintain our year-end JCI target at 9,000. Indonesia remains relatively inexpensive at 15.3x FY26F P/E, -0.5 S.D. of 10-year mean. YTD foreign outflows remain significant at USD -2.4 B, but we've seen a return of flows into Indonesian equity over the last two months.
- We remain constructive on the macro situation with the accommodative set of fiscal and monetary policy, though policy effectiveness, rupiah stability and external events are risks that need to be monitored.
- Consolidated EPS for the JCI stands at IDR 623.66, supported by an ROE of around 13.86%, a payout ratio of 53.54%, and dividends of IDR 393.92 per share.

JCI's Important Variables	Dec '22	Dec '23	Dec '24	Dec '25E	Dec '26E
EPS	488,03	474,62	608,99	553,04	623,66
Dividends per Share	251,71	329,51	418,97	374,01	393,92
Sales per Share	3.413,14	3.115,43	4.066,74	3.998,94	4.272,29
Book Value per Share	3.272,24	3.277,91	4.036,78	4.468,90	4.884,02
EBIT Margin (%)	24,11	22,91	22,70	21,84	22,54
Return on Equity (ROE) (%)	14,75	14,41	14,88	13,58	13,86
Payout Ratio (%)	47,79	60,05	62,97	55,98	53,54

Stock Selection Filtering Criteria

In screening for stock recommendations, we consider three key factors:

1. Market conditions that represented by the Rupiah exchange rate and the yield on 10-year Indonesian government bonds, both of which influence the movement of the JCI.
2. Liquidity factors including market capitalization, free float, and the average daily trading value of the stock.
3. Financial performance, both historical results and forward-looking prospects that have the potential to enhance stock valuations.

Based on this screening, we identify approximately thirty-six (36) stocks that we recommend for investors in 2026.

It is important to note that these stocks are all traded on the secondary market.



1. Global Dynamics: Politics & Policy

2. Domestic Dynamics: Pedal to the Metal

3. Sectoral Update

4. Prospect for Equities

5. Henan Sekuritas Portfolio Universe



Stocks	ROE 2024	ROE 2025E	ROE 2026E	PE 2024	PE 2025E	PE 2026E	PBV 2024	PBV 2025E	PBV 2026E	Current Price	Target Price
Financials											
BBCA	21.7%	21.1%	21.0%	18.5x	17.9x	16.8x	3.9x	3.6x	3.3x	IDR 8,225	IDR 10,000
BBNI	13.7%	12.6%	13.0%	7.5x	7.9x	7.2x	1.0x	0.9x	0.9x	IDR 4,310	IDR 5,000
ARTO	1.5%	3.1%	5.7%	221.0x	98.9x	40.3x	3.3x	3.2x	3.0x	IDR 2,050	IDR 2,500
Properties											
SSIA	4.9%	4.3%	6.5%	38.3x	49.0x	21.4x	1.6x	1.5x	1.4x	IDR 1,905	IDR 2,680
CTRA	10.1%	10.2%	9.7%	7.8x	7.2x	7.2x	0.8x	0.7x	0.7x	IDR 865	IDR 1,345
CBDK	22.4%	10.8%	10.5%	-	49.0x	42.0x	-	7.3x	6.6x	IDR 9,500	IDR 14,200
Consumer											
CMRY	23.9%	27.2%	28.3%	110.7x	22.4x	19.5x	6.7x	5.9x	5.3x	IDR 5,700	IDR 6,900
FORE	35.2%	27.3%	24.3%	-	39.2x	25.5x	-	7.4x	5.8x	IDR 510	-
MAPI	16.3%	15.4%	15.6%	10.7x	10.5x	9.0x	1.7x	1.5x	1.3x	IDR 1,225	IDR 1,650
AMRT	20.4%	19.0%	19.4%	24.6x	22.6x	19.8x	4.7x	4.1x	3.7x	IDR 1,845	IDR 2,670
HMSP	22.8%	21.4%	27.3%	14.2x	13.6x	10.1x	3.3x	3.4x	3.2x	IDR 810	IDR 1,070
TAPG	28.8%	30.5%	31.2%	10.2x	9.0x	7.8x	3.0x	2.8x	2.5x	IDR 1,610	IDR 2,040
JPFA	21.0%	19.1%	19.3%	10.0x	9.4x	8.3x	2.0x	1.7x	1.6x	IDR 2,640	IDR 2,820
Automobile											
ASII	16.5%	14.5%	13.8%	8.0x	8.4x	8.1x	1.3x	1.2x	1.1x	IDR 6,775	IDR 6,900
AUTO	14.7%	13.4%	13.5%	7.0x	6.3x	5.8x	0.9x	0.8x	0.8x	IDR 2,750	IDR 3,120
Infrastructures											
ISAT	15.3%	13.5%	14.0%	15.6x	15.7x	13.7x	2.3x	2.1x	2.0x	IDR 2,340	IDR 2,550
TLKM	17.0%	14.8%	15.4%	15.9x	16.3x	15.2x	2.6x	2.5x	2.4x	IDR 3,670	IDR 3,800
WIFI	23.8%	6.4%	16.6%	61.7x	30.3x	13.4x	14.7x	1.9x	2.2x	IDR 3,720	IDR 5,750
CDIA	4.3%	8.8%	7.3%	492.0x	159.7x	158.5x	19.8x	13.7x	11.2x	IDR 1,955	IDR 2,420
Transportation & Logistics											
ASSA	12.8%	16.8%	17.4%	10.4x	8.6x	7.2x	1.3x	1.4x	1.3x	IDR 1,170	IDR 1,570
SMDR	10.1%	11.4%	14.0%	6.1x	6.3x	4.5x	0.6x	0.7x	0.6x	IDR 340	IDR 400
GMFI	-13.9%	25.4%	20.8%	5.3x	3.3x	3.9x	-0.7x	0.2x	0.2x	IDR 126	-

Stocks	ROE 2024	ROE 2025E	ROE 2026E	PE 2024	PE 2025E	PE 2026E	PBV 2024	PBV 2025E	PBV 2026E	Current Price	Target Price
Basic Materials											
BRPT	3.3%	30.7%	6.4%	349.4x	30.0x	104.8x	11.4x	8.7x	8.1x	IDR 3,490	-
TPIA	-2.6%	1.5%	3.0%	-1.035,5x	1.008,9x	504,5x	14.9x	19.6x	19.9x	IDR 7,550	-
DAAZ	22.0%	19.9%	20.1%	7.9x	7.0x	6.1x	1.7x	1.7x	1.7x	IDR 2,320	IDR 8,100
Metals & Minerals											
MBMA	1.5%	1.8%	8.4%	165.0x	36.2x	25.5x	2.2x	2.1x	1.9x	IDR 530	IDR 725
EMAS	-5.9%	-6.0%	17.3%	-	-131.1x	31.2x	-	5.7x	5.3x	IDR 3,630	IDR 5,550
BRMS	2.1%	4.6%	7.6%	340.3x	0.1x	0.0x	6.9x	6.3x	5.9x	IDR 980	IDR 1,100
TINS	15.9%	15.8%	21.3%	20.1x	18.2x	11.5x	3.2x	2.9x	2.5x	IDR 3,300	IDR 4,200
Coal											
PTRO	3.9%	18.4%	18.5%	644.4x	148.6x	87.8x	25.0x	21.6x	17.6x	IDR 10,225	IDR 13,100
DEWA	0.5%	7.9%	14.4%	811.7x	41.7x	33.8x	5.3x	7.7x	5.2x	IDR 426	IDR 500
CUAN	77.5%	13.4%	14.0%	774.8x	331.6x	82.9x	60.9x	33.2x	22.1x	IDR 2,760	IDR 3,500
ADMR	36.6%	19.0%	20.7%	7.8x	11.1x	8.6x	2.4x	2.2x	1.7x	IDR 1,295	IDR 1,510
Oil & Gas											
AKRA	19.5%	21.0%	22.1%	11.5x	10.2x	9.2x	2.2x	2.1x	2.1x	IDR 1,290	IDR 1,605
RAJA	16.9%	14.9%	17.3%	65.5x	49.6x	49.7x	9.9x	7.1x	6.3x	IDR 6,500	IDR 7,900
RATU	51.2%	30.9%	45.7%	78,4x	56.9x	34.1x	39.7x	17.6x	15.6x	IDR 12,250	-

Source: Bloomberg Consensus & Henan Putihrai Sekuritas Estimations

PT Petrindo Jaya Kreasi Tbk (CUAN)



PT Petrindo Jaya Kreasi Tbk, an affiliate of PT Barito Pacific Tbk, operates as a holding company with business interests in coal and gold mining. Its operations are supported by multiple subsidiaries located across Kalimantan and West Nusa Tenggara.

Number of Shares Offered	: 1,690,000,000 shares
% of Total Public Shares	: 15.03%
Listing Date on IDX	: 8 March 2023
IPO Price	: IDR 220**
Current Price (as of 5/12/2025)	: IDR 2,760
% Stock Prices Performance	: 12,127.3%

**Before Stock-Split 1:10



*After Stock-Split 1:10

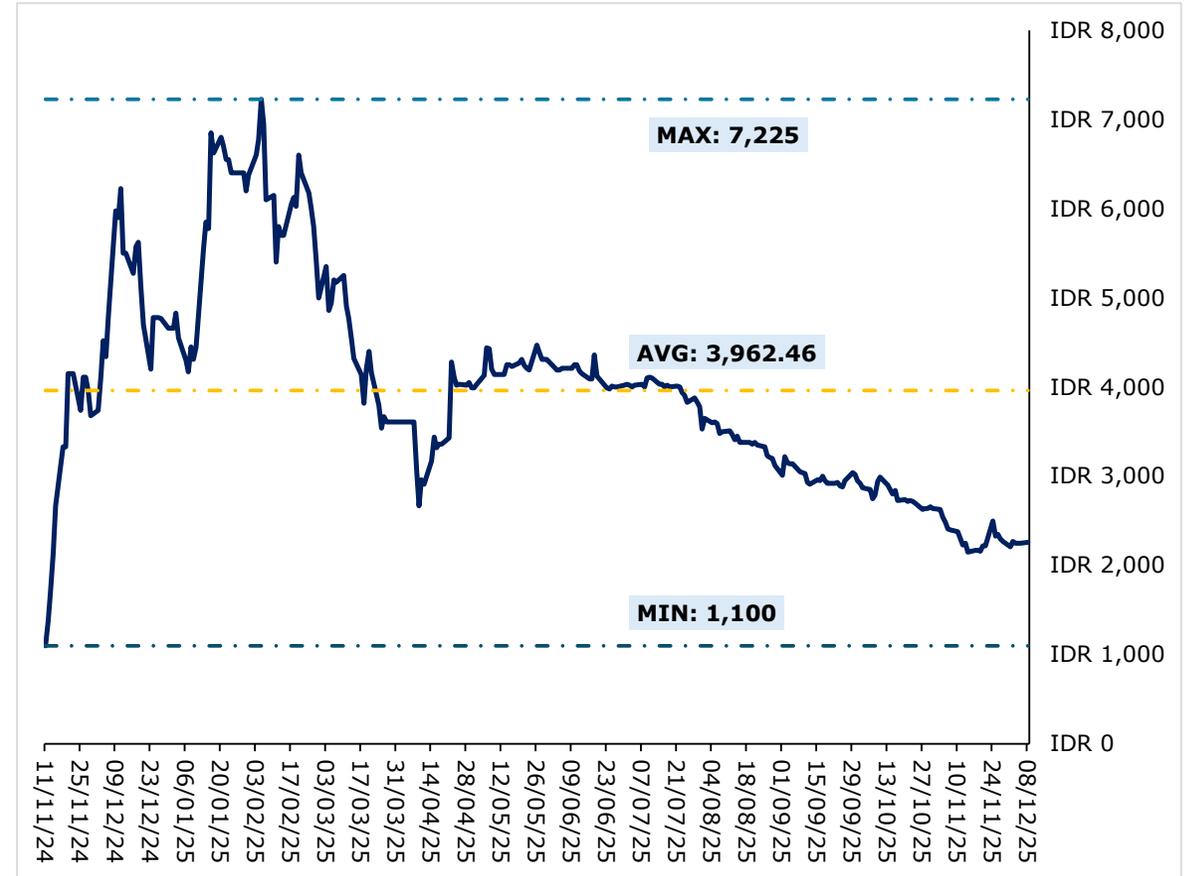
Source: Factset, HP Analytics

PT Daaz Bara Lestari Tbk (DAAZ)



PT Daaz Bara Lestari Tbk specializes in commodity trading, marine transportation using tug-and-barge, and mining services. The company focuses on domestic trade of fuel, coal, and nickel ore, while also providing integrated logistics and mining solutions across Indonesia.

Number of Shares Offered	: 300,000,000 shares
% of Total Public Shares	: 15.02%
Listing Date on IDX	: 11 November 2024
IPO Price	: IDR 880
Current Price (as of 5/12/2025)	: IDR 2,320
% Stock Prices Performance	: 155.7%



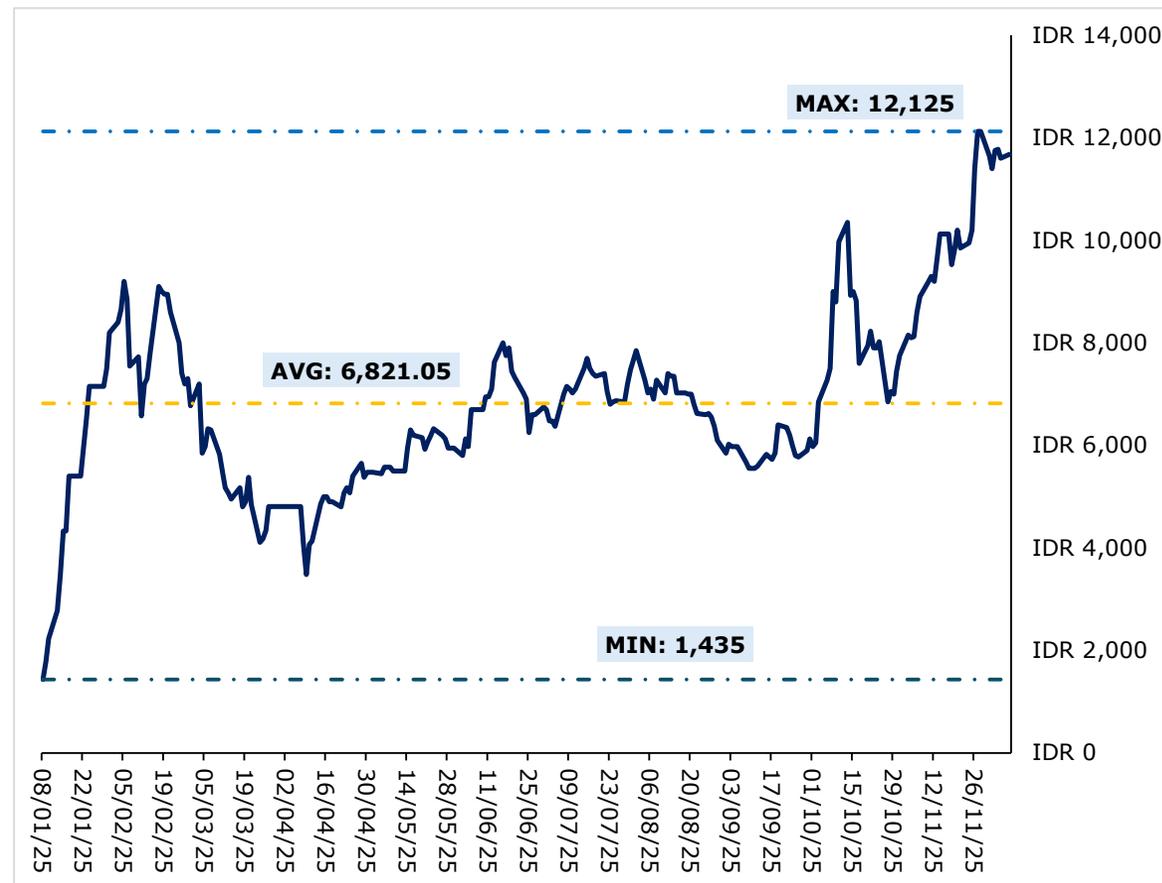
Source: Factset, HP Analytics

PT Raharja Energi Cepu (RATU)



PT Raharja Energi Cepu is an investment company in the oil and gas sector, holding strategic asset portfolios in two of Indonesia’s key oil and gas blocks: Cepu and Jabung. The company owns a 2.2423% participating interest in Cepu Block and an 8% interest in Jabung Block.

Number of Shares Offered	: 543,010,800 shares
% of Total Public Shares	: 20%
Listing Date on IDX	: 8 January 2025
IPO Price	: IDR 1,150
Current Price (as of 5/12/2025)	: IDR 12,250
% Stock Prices Performance	: 908.7%



Source: Factset, HP Analytics

PT Fore Kopi Indonesia Tbk (FORE)



PT Fore Kopi Indonesia Tbk operates in the food and beverage industry, offering premium roasted coffee sourced from Indonesian farmers. The company has established a strong retail presence with more than 217 outlets across Indonesia.

Number of Shares Offered	: 1,880,000,000 shares
% of Total Public Shares	: 21.08%
Listing Date on IDX	: 14 April 2025
IPO Price	: IDR 188
Current Price (as of 11/12/2025)	: IDR 510
% Stock Prices Performance	: 184.6%



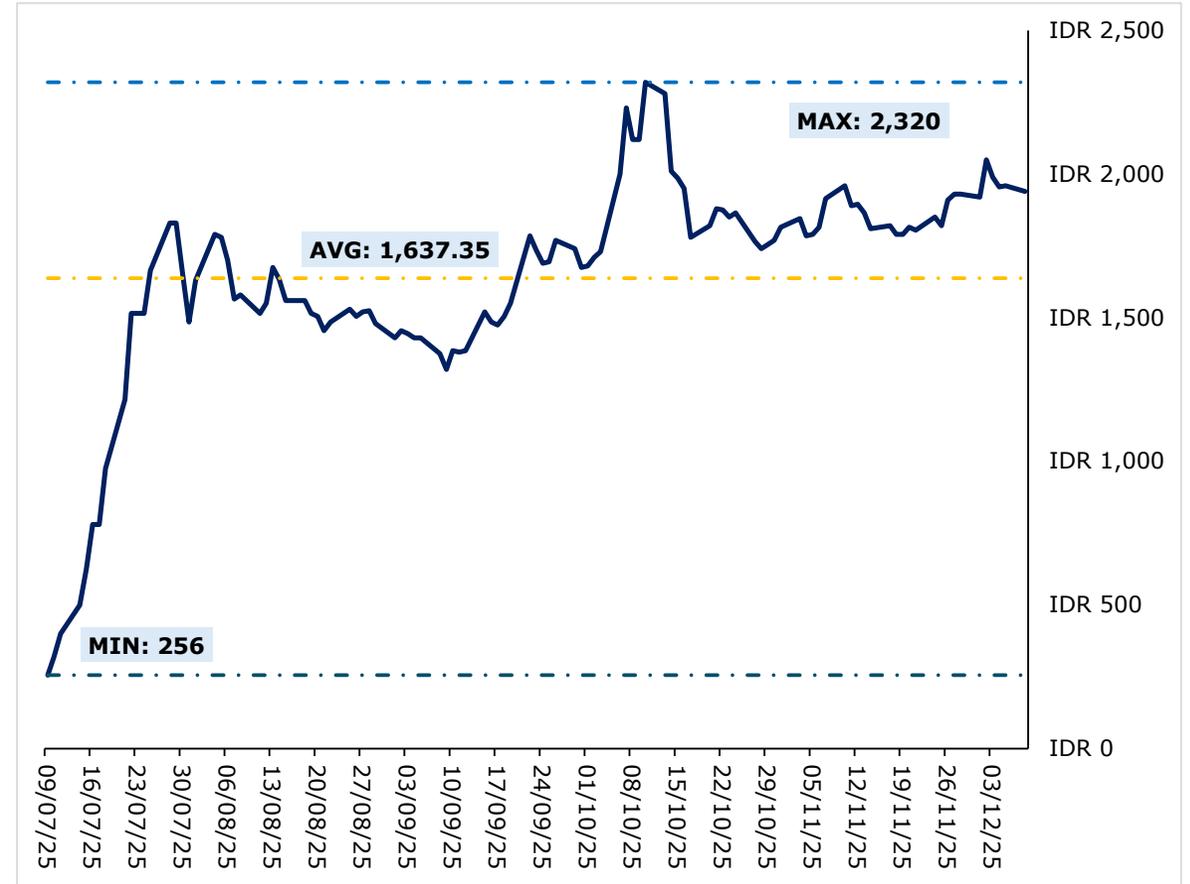
Source: Factset, HP Analytics

PT Chandra Daya Investasi (CDIA)



PT Chandra Daya Investasi is an investment company focused on infrastructure, with a portfolio spanning utilities, electricity, water management, port and storage facilities, and logistics. It serves as a strategic investment arm of PT Chandra Asri Pacific Tbk and EGCO Group.

Number of Shares Offered	: 12,482,937,500 shares
% of Total Public Shares	: 10%
Listing Date on IDX	: 9 July 2025
IPO Price	: IDR 190
Current Price (as of 11/12/2025)	: IDR 1,955
% Stock Prices Performance	: 931.6%



Source: Factset, HP Analytics

SANGGAHAN:

Laporan ini diterbitkan oleh PT Henan Putihrai Sekuritas, anggota Bursa Efek Indonesia (BEI) dan terdaftar dan diawasi oleh Otoritas Jasa Keuangan (OJK). Laporan ini dan setiap akses elektronik di dalamnya dibatasi dan ditujukan hanya untuk klien dan entitas terkait dan penggunaan penerima yang dimaksudkan ditujukan kepada PT Henan Putihrai Sekuritas. Laporan ini mungkin berisi informasi rahasia dan/atau hak istimewa hukum. Itu tidak direproduksi, disalin, atau tersedia untuk orang lain. Dalam keadaan apa pun ini tidak akan dianggap sebagai penawaran untuk menjual atau ajakan untuk membeli sekuritas. Setiap rekomendasi yang terkandung di sini mungkin tidak cocok untuk semua investor. Dalam mempertimbangkan investasi apa pun, Anda harus melakukan penilaian independen dan mencari nasihat keuangan dan hukum profesional. Meskipun informasi dalam dokumen ini diperoleh dari sumber yang dapat dipercaya, keakuratan dan kelengkapannya tidak dapat dijamin. PT Henan Putihrai Sekuritas secara khusus menyangkal tanggung jawab atas kerugian atau kerusakan langsung, tidak langsung, konsekuensial atau lainnya termasuk hilangnya keuntungan yang ditimbulkan oleh Anda atau pihak ketiga mana pun yang mungkin timbul dari ketergantungan pada laporan ini atau pada keandalan, keakuratan, kelengkapan atau ketepatan waktunya. Daripadanya. Jika Anda bukan penerima yang dituju atau menerima komunikasi ini secara keliru, harap segera beri tahu kami. Jika Anda bukan penerima yang dituju, setiap penggunaan, ketergantungan, referensi, pengungkapan, perubahan atau penyalinan dan/atau distribusi informasi yang terkandung dalam laporan, untuk tujuan apa pun sangat dilarang dan mungkin melanggar hukum. PT Henan Putihrai Sekuritas tidak bertanggung jawab atas kehilangan dan/atau kerusakan yang disebabkan oleh virus yang ditransmisikan dalam laporan ini atau lampirannya, atau atas transmisi informasi yang terkandung dalam komunikasi ini dengan benar dan lengkap, atau atas keterlambatan penerimaannya. Seluruh hak cipta dilindungi oleh PT Henan Putihrai Sekuritas. Untuk informasi lebih lanjut, silakan hubungi (+62) 21 2525 888.

DISCLAIMER:

This report is published by PT Henan Putihrai Sekuritas, a member of the Indonesia Stock Exchange (IDX) and is registered and supervised by the Financial Services Authority (OJK). This report and any electronic access therein are restricted and intended only to clients and related entities and the intended recipient use is addressed to PT Henan Putihrai Sekuritas. These reports may contain confidential and/or legally privileged information. It is not reproduced, copied, or made available to anyone else. Under no circumstances shall this be considered an offer to sell or a solicitation to buy securities. Any recommendations contained herein may not be suitable for all investors. In considering any investment, you should conduct an independent judgment and seek professional financial and legal advice. Although the information in this document is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT Henan Putihrai Sekuritas specifically disclaims liability for any direct, indirect, consequential or other loss or damage including loss of profits incurred by you or any third party that may arise from reliance on this report or on its reliability, accuracy, completeness or timeliness. Thereof. If you are not the intended recipient or received this communication in error, please notify us immediately. If you are not the intended recipient, any use, reliance on, reference, disclosure, alteration or copying and/or distribution of the information contained in the report, for any purpose is strictly prohibited and may be unlawful. PT Henan Putihrai Sekuritas is not responsible for any loss and/or damage caused by viruses transmitted in this report or its appendices, or for the correct and complete transmission of the information contained in this communication, or for any delay in its receipt. All rights reserved by PT Henan Putihrai Sekuritas. For more information, please call (+62) 21 2525 888.