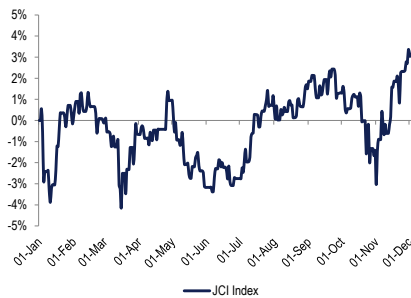


JCI Performance

	3M	6M	12M
Absolute	1.5%	7.0%	1.6%



Nov23 flow: marginal reversal in flow; shift our pick to tech from consumer

- JCI recorded a small inflow of Rp171bn in Nov23 after recording massive outflow of -Rp6.3tr in Oct23. The flow only went to banks and AMMN.
- Consumer (staples and retail) booked massive outflow of -Rp936bn in Nov23 followed by auto, media and coal.
- Tech (GOTO/ARTO) outperformed (+62/103% mom). We maintain our OW stance on banks, telco, metals and tech (shift from consumer).

Reversal of flow in Nov although still relatively minimal

After recording a massive foreign outflow of -Rp6.3tr in Oct23, foreign flow reversed at +Rp171bn in Nov23 (JCI +4.9% mom in Nov23, +3.3% mom ex. BREN and AMMN) – recall in our previous note ([link](#)) we expect that the reversal is bound to happen after aggressive sell-off. However most of the flows were concentrated to banks at Rp1.35tr and metals at Rp590bn, which mainly from AMMN at Rp940bn. Digital bank booked small inflow of Rp140bn in Nov23 and poultry at Rp200bn. Consumer (staples, retail and tobacco) recorded an outflow of total -Rp1tr led by staples at -Rp700bn, we suspect this due to weak consumption pattern observed in Nov post Oct +ve surprise.

Tech and digital banks outperformed in Nov23

Tech and digital banks outperformed by 32% and 55% mom despite relatively minimal foreign inflow of Rp69bn and Rp178bn for GOTO and ARTO (GOTO/ARTO up by +62/103% mom). We think the rally was fuelled by the bet of peaking interest rate and rumour the collaboration between TTS and GOTO ([link to our previous GOTO note](#)). Auto, coal and poultry led the underperformance in Nov23 at -6/-7/-10% mom. Telco and banks are all up by 7/5% mom.

On the stock level, we see massive inflow to AMMN, BMRI, BBRI

AMMN recorded top inflow of Rp940bn which we suspect due to anticipation of MSCI/FTSE inclusion, followed by BBRI/BMRI at Rp700/620bn which was expected amidst peaking interest rate view; while the latter was more on the result outperformance. AMRT also recorded inflow of Rp330bn – the only consumer names that recorded foreign inflow in Nov. BBNI inflow subsided to Rp180bn in Nov vs. Rp840bn in Oct which we have expected as YTD inflow of BBNI stood at 2nd (at Rp3.4tr) among all stocks in JCI after BBRI (Rp4.1tr YTD) – as such, we think the upside from this point seems to be limited.

We prefer tech over consumer along with banks/telco/metals

Recall in our previous note we added 3 names: GOTO (+62% mom), ADMR (+20% mom) and MDKA (+13% mom), we remain confident on these 3 names to continue to outperform for the rest of the year. We shift our sector preference from consumer to tech as we think that consumption story has yet to materialize in meaningful way whereas we think that the tech rally may be quite early considering very minimal positioning (GOTO local/foreign fund is -2/-3% underweight against JCI/MSCI weight whereas barely any local fund owned ARTO; on the other hand, both locals and foreign continued to be heavy overweight in consumer sector (especially staple at +3.5% against JCI weight). Risk obviously sudden spike in inflation and thus interest rate.

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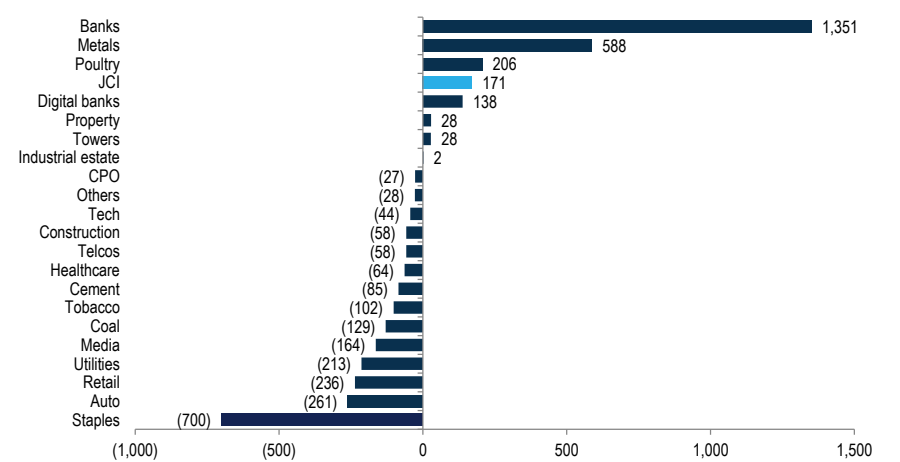
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Reversal of flow in Nov; tech and digital banks outperformed

JCI recorded a small inflow of Rp171bn in Nov23 after recording massive outflow of -Rp6.3tr in Oct23, which was expected – recall in our previous note ([link](#)). However most of the flows are concentrated to banks at Rp1.35tr and metals at Rp590bn, driven by from AMMN at Rp940bn. Digital bank booked small inflow of Rp140bn in Nov23 and poultry at Rp200bn. Consumer (staples, retail and tobacco) recorded an outflow of total -Rp1tr led by staples at -Rp700bn, we suspect this due to weak consumption pattern observed in Nov post Oct +ve surprise.

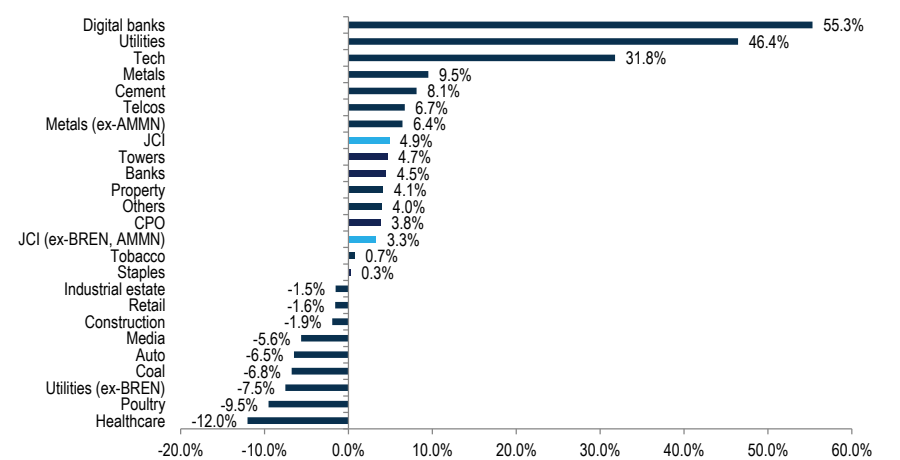
Tech (+32% mom) and digital banks (+55% mom) outperformed JCI (+4.9% mom in Nov23, +3.3% mom ex. BREN and AMMN), despite relatively minimal foreign inflow of Rp69bn and Rp178bn for GOTO and ARTO (GOTO/ARTO up by +62/103% mom). We think the rally was fuelled by the bet of peaking interest rate and rumour the collaboration between TTS and GOTO ([link to our previous GOTO note](#)). Cement, telco and metals were also among the outperformer at +8/7/6% mom while banks was in-line at +5% mom. On the other hand, auto/coal/poultry led the underperformance in Nov23 at -6/-7/-10% mom.

Fig. 1: MoM Nov23 foreign net flow (RG+TN) – in Rp bn



Source: Indo Premier

Fig. 2: MoM Nov23 stock performance (calculated from market cap)



Source: Bloomberg, Indo Premier

On the stock level, we see massive inflow to AMMN at Rp940bn which we suspect due to anticipation of MSCI/FTSE inclusion, followed by BBRI/BMRI at Rp700/620bn which was expected amidst peaking interest rate view. AMRT also recorded inflow of Rp330bn – the only consumer names that recorded foreign inflow in Nov. In terms of outflow, INCO posted the biggest outflow at -Rp590bn due to MSCI exclusion, followed by ICBP at -Rp380bn and BBKA at -Rp270bn, the only big banks that experienced an outflow.

Fig. 3: Nov23 top 15 foreign inflow (MoM)

MoM	Foreign flow (Rp bn)	Stock perf.	Changes in local fund weight (bp)	Changes in foreign fund weight (bp)
AMMN	940	11%	(5)	6
BBRI	698	6%	59	23
BMRI	620	3%	4	(11)
AMRT	331	-1%	(3)	(7)
BBNI	181	10%	33	16
ARTO	178	103%	15	3
BRMS	126	4%	(0)	1
BRIS	125	10%	7	1
CPIN	120	-10%	(16)	(8)
JPFA	85	-4%	(4)	(0)
ADRO	79	2%	(6)	(2)
CASA	79	12%	5	0
PGEO	74	-25%	(4)	(1)
GOTO	69	62%	43	39
ADMIR	61	20%	12	1

Source: Bloomberg, Indo Premier

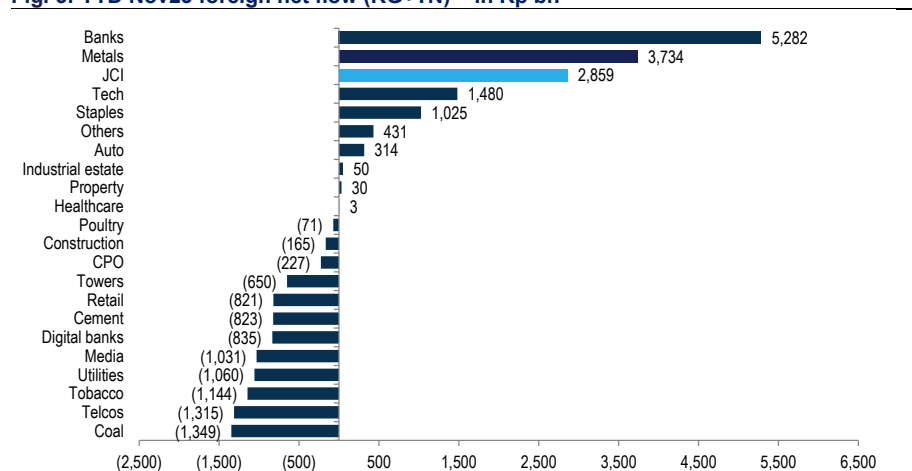
Fig. 4: Nov23 top 15 foreign outflow (MoM)

MoM	Foreign flow (Rp bn)	Stock perf.	Changes in local fund weight (bp)	Changes in foreign fund weight (bp)
INCO	(591)	-9%	(10)	(6)
ICBP	(383)	12%	26	7
BBKA	(273)	3%	5	(41)
ASII	(261)	-6%	(54)	(65)
INDF	(209)	-3%	(16)	(6)
MAPI	(181)	1%	3	(3)
PGAS	(176)	-11%	(15)	(5)
BUMI	(142)	-10%	(1)	(1)
MTEL	(141)	16%	7	(1)
BELI	(118)	5%	1	(0)
MNCN	(117)	-20%	(3)	(5)
GGRM	(114)	-9%	(6)	(2)
AKRA	(87)	-4%	(1)	(4)
AVIA	(87)	-3%	0	(4)
SMGR	(82)	7%	10	0

Source: Bloomberg, Indo Premier

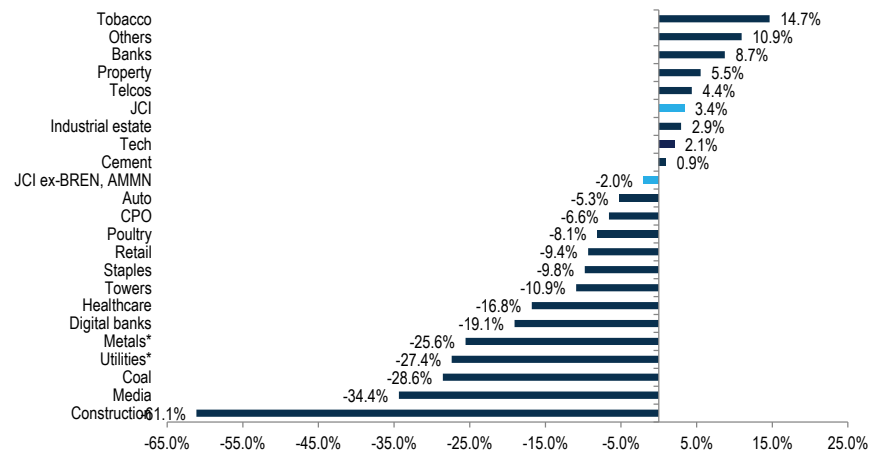
BBNI inflow subsided to Rp180bn in Nov vs. Rp840bn in Oct which we have expected as YTD inflow of BBNI stood at 2nd (at Rp3.4tr) among all stocks in JCI after BBRI (Rp4.1tr YTD) – as such, we think the upside from this point seems to be somewhat limited. BBKA was still no. 1 within the top 15 outflows YTD at -Rp2.3tr (although, the outflow has been declining from -Rp2.6tr/-Rp1.8tr in Sep/Oct to -Rp270bn in Nov) followed by TLKM at -Rp1.5tr and INCO at -Rp1.1tr. A lot of commodities are also in the top 15 i.e. UNTR, PGAS, ADRO, and NCKL.

Fig. 5: YTD Nov23 foreign net flow (RG+TN) – in Rp bn



Source: Indo Premier

Fig. 6: YTD Nov23 stock performance (calculated from market cap)



Source: Bloomberg, Indo Premier *Metals excl. AMMN; Utilities excl. BREN

Fig. 7: Nov23 top 15 foreign inflow (YTD)

YTD	Foreign flow (Rp bn)	Stock perf.	Changes in local fund weight (bp)	Changes in foreign fund weight (bp)
BBRI	4,059	7%	(29)	(31)
BBNI	3,359	14%	(32)	36
AMMN	2,461	NA	20	40
ICBP	2,228	16%	(3)	22
FILM	1,544	96%	3	(0)
BUMI	1,252	-37%	(13)	3
BRMS	1,191	27%	5	10
GOTO	924	8%	(23)	55
MDKA	860	-39%	(124)	(29)
ISAT	804	54%	33	45
ANTM	743	-12%	(18)	(8)
BUKA	690	-21%	(19)	1
BRIS	598	28%	20	4
JSMR	488	56%	62	11
KLBF	415	-23%	(48)	(53)

Source: Bloomberg, Indo Premier

Fig. 8: Nov23 top 15 foreign outflow (YTD)

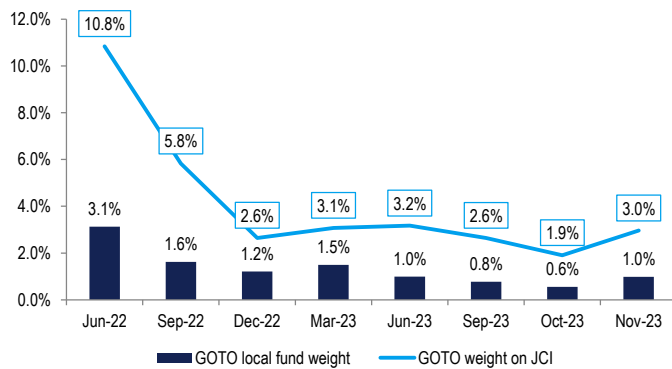
YTD	Foreign flow (Rp bn)	Stock perf.	Changes in local fund weight (bp)	Changes in foreign fund weight (bp)
BBCA	(2,330)	5%	67	(115)
TLKM	(1,545)	0%	84	(76)
INCO	(1,149)	-37%	(36)	(13)
BTPS	(1,069)	-41%	(10)	(25)
UNTR	(1,044)	-16%	(46)	(46)
PGAS	(999)	-37%	(75)	(20)
ADRO	(897)	-32%	(59)	(57)
MTEL	(895)	-10%	7	(14)
MNCN	(860)	-47%	(6)	(18)
GGRM	(762)	17%	9	(2)
UNVR	(722)	-22%	(20)	(36)
ARTO	(704)	-14%	4	(10)
NCKL	(690)	NA	37	4
SMGR	(624)	-1%	20	(18)
AKRA	(531)	2%	22	0

Source: Bloomberg, Indo Premier

We prefer tech over consumer along with banks/telco/metals

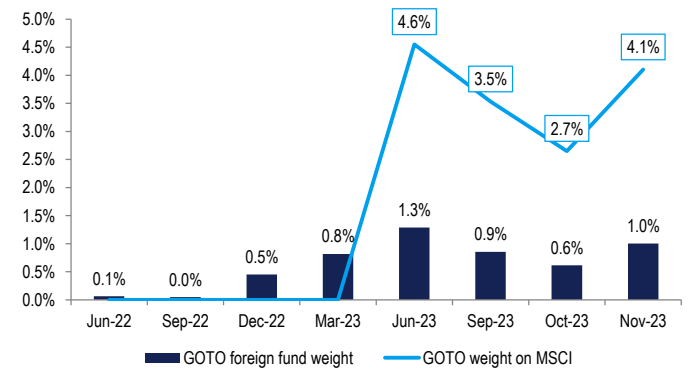
Recall in our previous note we added 3 names: GOTO (+62% mom), ADMR (+20% mom) and MDKA (+13% mom), we remain confident on these 3 names to continue to outperform for the rest of the year. We shift our sector preference from consumer to tech as we think that consumption story has yet to materialized whereas the tech rally may be quite early considering very minimal positioning (GOTO local/foreign fund is -2/-3% underweight against JCI/MSCI weight whereas barely any local fund owned ARTO; on the other hand, both locals and foreign continued to be heavy overweight in consumer sector (especially staple at +3.5% against JCI weight). Risk obviously sudden spike in inflation and thus interest rate.

Fig. 9: GOTO local fund positioning vs. JCI



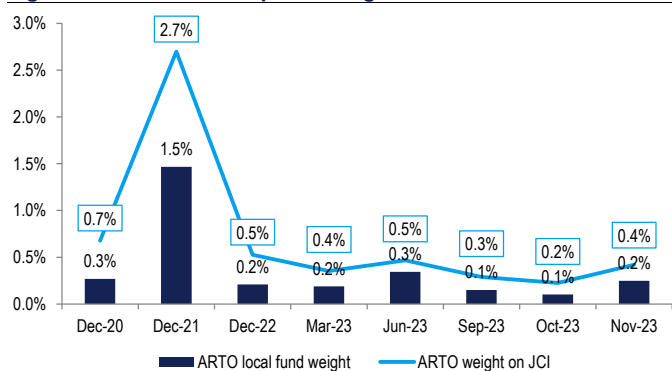
Source: Indo Premier

Fig. 10: GOTO foreign fund positioning vs. MSCI



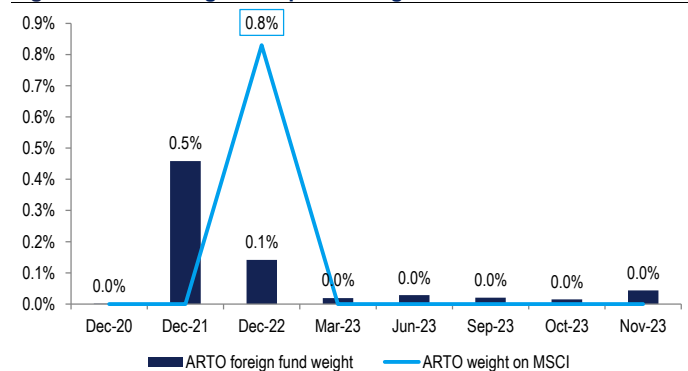
Source: Indo Premier

Fig. 11: ARTO local fund positioning vs. JCI



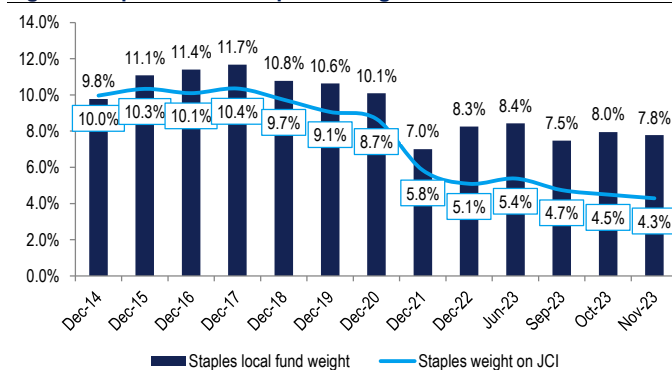
Source: Indo Premier

Fig. 12: ARTO foreign fund positioning vs. MSCI



Source: Indo Premier

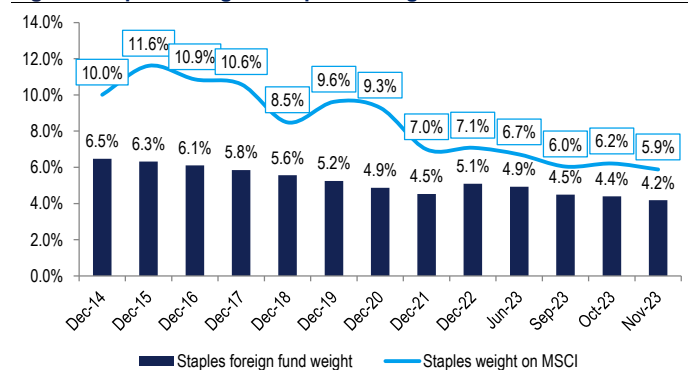
Fig. 13: Staples local fund positioning vs. JCI



Source: Indo Premier

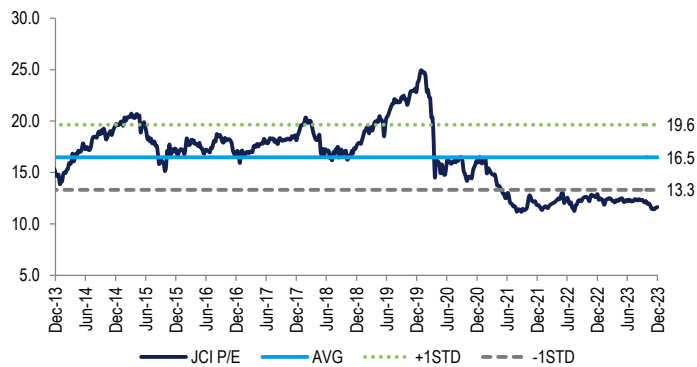
*Consists of CMRY, GOOD, ICBP, INDF, KLBK, MYOR, UNVR

Fig. 14: Staples foreign fund positioning vs. MSCI



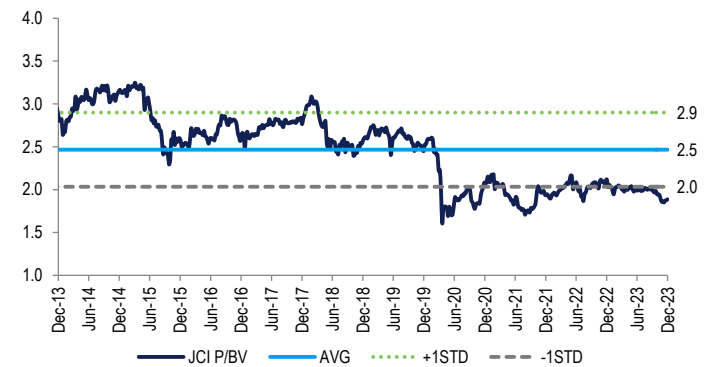
Source: Indo Premier

Fig. 15: JCI' forward P/E is currently trading at 11.6x FY24F P/E, below its -1s.d. of 13.3x P/E



Source: Bloomberg, Indo Premier

Fig. 16: JCI' forward P/B is currently trading at 1.9x FY24F P/B, below its -1s.d. of 2x P/B



Source: Bloomberg, Indo Premier

SECTOR RATINGS

- OVERWEIGHT : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY RATINGS

- BUY : Expected total return of 10% or more within a 12-month period
- HOLD : Expected total return between -10% and 10% within a 12-month period
- SELL : Expected total return of -10% or worse within a 12-month period

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