



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51966.0	(0.1)	0.2	0.5	8.1
S&P 500	7690.7	0.4	(1.5)	0.5	12.3
FTSE 100	10764.7	(1.1)	1.0	1.0	8.4
AS30	8975.7	0.4	0.4	0.6	(0.5)
CSI 300	4174.5	0.1	(2.6)	(7.4)	(9.8)
FSSTI	5412.0	(0.1)	(0.1)	(4.3)	16.5
HSCEI	8128.3	0.3	(0.2)	(1.2)	(8.8)
HSI	24186.8	0.5	(0.1)	(2.3)	(5.6)
JCI	4996.6	(3.6)	(15.8)	(22.4)	(42.2)
KLCI	1595.8	(0.7)	(1.4)	(4.2)	(5.0)
KOSPI	5768.0	1.8	(9.7)	(16.3)	36.9
Nikkei 225	64916.7	(0.6)	(6.0)	(0.2)	29.0
SET	1571.7	(0.1)	0.1	(0.8)	24.8
TWSE	46822.1	(0.6)	(5.0)	(0.8)	61.7
BDI	2546	1.4	(10.7)	(24.5)	35.6
CPO (RM/mt)	4380	(1.0)	(2.1)	(5.6)	11.4
Brent Crude (US\$/bbl)	110	(0.3)	2.7	5.5	80.0

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Sharing Session on Global Vegetable Oil Markets with S&P Global Energy	Singapore	19 Oct	19 Oct
Hybrid Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov

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- We narrow a 45-stock dividend watchlist to 10 names, assessing yields, cash generation, balance-sheet strength and business risks. Under our coverage, we maintain BUY on ELSA, ASII and AADI. Seven additional names offer income opportunities, although dividend sustainability and trading liquidity require selectivity. Potential MSCI-related selling warrants entry discipline, particularly for large-cap constituents. We favour staged accumulation should valuations become more attractive.

Technical Analysis

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- Trading Buy Range: We have a technical Buy at Rp21,950, and take profit at Rp23,100.

Vale Indonesia | INCO IJ

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- Trading Buy Range: We have a technical Buy at Rp3,525, and take profit at Rp3,850.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Strategy

Dividend Opportunities: Selectivity And Entry Discipline

Highlights

- **Narrowing the dividend opportunity set.** We select 10 names from a 45-stock watchlist, balancing income, cash generation and balance-sheet strength.
- **BUY-rated opportunities under coverage.** ELSA, ASII and AADI offer distinct earnings and shareholder-return drivers; seven additional names broaden the income screen.
- **Entry discipline remains essential.** Benchmark selling could pressure large caps, while thin liquidity constrains smaller names. Accumulate selectively through further weakness.

What's New

- **Broadening the search while maintaining entry discipline.** Following our previous report "Strategy: MSCI Standalone Market Overhang, Follow the Dividends", we reviewed a broader universe of Indonesian dividend-paying stocks. We identified an initial 45-name watchlist using dividend yields, payment history, valuation and balance-sheet indicators, then narrowed our focus to 10 names: ELSA, ASII, IPCC, AADI, MSTI, IPCM, PBID, SPTO, RALS and DLTA. These represent a range of income opportunities rather than equally weighted recommendations. Should valuations correct further, we would accumulate selectively.
- **Among the top 10, three of the stocks are under our coverage universe:** ELSA, AADI, and ASII, all of which have BUY ratings with respective target prices of Rp1,450, Rp14,300, and Rp7,500.
 - **ELSA (BUY/Target price: Rp1,450).** We maintain BUY on ELSA, which offers a 12.8% 2026F dividend yield as government support for the oil and gas sector should boost demand for oil and gas services, while higher seismic revenue in 2H26 is expected to provide additional revenue.
 - **ASII (BUY/Target price: Rp7,100).** We maintain BUY on ASII, supported by its total shareholder return (TSR) framework, including an ongoing Rp8t share buyback programme from Jul 26 to Jul 27 and a minimum 45-50% payout ratio with ASII offering an 11.8% 2026F dividend yield.
 - **AADI (BUY/Target price: Rp14,300).** We maintain BUY on AADI, supported by the ongoing coal upcycle and stronger seasonal demand during the winter. AADI offers an 11.9% 2026F dividend yield, with additional upside from a potential special dividend that could deliver a yield of over 12% following the divestment of Kestrel Mine.
- **Although IPCC, MSTI, IPCM, PBID, SPTO, RALS and DLTA are outside our coverage universe, we included them in our dividend screen based on their yields, cash generation and balance-sheet profiles.** Some have relatively low foreign ownership, potentially limiting exposure to foreign selling. However, thin trading liquidity could constrain entry and exit, warranting smaller positions and staged execution.
 - **MSTI: Stable business backed by regulated bank IT spending.** MSTI is one of Indonesia's largest IT infrastructure providers. About 54% of its revenue comes from banks, which must keep upgrading systems and expanding data centres regardless of the economic cycle. 1H26 net profit grew 4.4% yoy to Rp205b, and net cash stood at Rp832b as of Jun 26. 2025 DPS of Rp122 (70% payout) gives a 10.9% trailing yield at Rp1,120. A 70% payout on consensus 2026 net profit of Rp580b implies an 11.5% yield.

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- **PBID: Resilient demand from a market leader, with payout potentially reaching 100%.** PBID is the largest plastic packaging maker, with a 32-35% share, selling mainly to small businesses and food stalls through 12,000+ outlets. Demand stays resilient when purchasing power weakens, as consumers downtrade to street food that relies on plastic packaging. 1H26 net profit more than doubled (+112% yoy to Rp410b) on higher selling prices. 2025 DPS of Rp53 (99% payout) gives a 10.6% trailing yield at Rp500. If 2H26 profit reverts to the 2H25 level (2026 net profit of Rp618b), a 95% payout implies a 15.6% yield. Annualising 1H26 at a 90% payout implies up to 19.7%.
- **IPCM: Recurring port services support the income case, though costs are a near-term drag.** IPCM is Pelindo's pilotage and towage arm. Its revenue is recurring because every vessel entering port needs its services, and it is expanding into special terminals and private ports. Higher fuel costs pushed 1H26 net profit down 24% yoy, though net cash remains solid at Rp505b as of Jun 26. 2025 DPS of Rp23.75 (64% payout, vs 75% in 2024) gives a 9.7% trailing yield at Rp246. If 2026 net profit also falls 24% to Rp150b, a 70% payout implies an 8.1% yield. Very low trading liquidity remains the main constraint.
- **RALS: Cash-backed value, but the business lacks stability.** RALS's department store business continues to lose traffic to online channels and weaker lower-income spending, and earnings are concentrated in the Lebaran season. 1H26 net profit fell 11% yoy to Rp205b. Net cash of Rp1.66t as of Jun 26 (66% of market cap) supports the dividend. 2025 DPS of Rp50 gives a 14.1% trailing yield at Rp354, but that was a 134% payout on 2025 EPS of Rp37. If 2H26 profit holds at the 2H25 level (2026 net profit of Rp240b), a 100% payout implies DPS of Rp34, or a 9.5% yield.
- **SPTO: Income potential depends on sustained cash conversion.** Surya Pertiwi distributes sanitary ware and bathroom fittings, serving as TOTO's exclusive distributor in Indonesia. Its portfolio also includes international brands such as Villeroy & Boch, Geberit and Stiebel Eltron. SPTO offers a 12.0% trailing yield, with TTM FCF of Rp324b compared with Rp105b in FY2025. Debt/equity is manageable at 0.11x. 1H26 net profit was Rp189b, with an approximately 13.7% net margin, versus FY25 net profit of Rp271b and an around 9.8% net margin. Housing-related demand, inventory requirements and manufacturing investment could affect dividend distributions. Thin turnover also requires smaller positions.
- **DLTA: Strong liquidity on the balance sheet, weak liquidity in the market.** Delta Djakarta produces and sells beer in Indonesia under brands including Anker, Carlsberg, San Miguel and Kuda Putih. DLTA offers an 11.0% trailing yield, TTM FCF of Rp207b and minimal debt/equity of 0.01x. 1H26 net profit was Rp62.9b, with a 17.9% net margin, versus FY25 net profit of Rp150.0b and a 22.2% net margin. Nevertheless, current net cash to market cap is 56% supporting dividends despite three-year FCF coverage of cash dividends being below 1x. Exceptionally low turnover limits institutional participation.
- **IPCC: Attractive income, constrained by liquidity.** IPCC combines a 12.2% trailing yield with strong FCF of Rp342b and a rising dividend history. Vehicle-handling volumes and terminal investment requirements determine future distributions. Relatively low foreign ownership is favourable for the flow comparison, although thin turnover limits position size.
- **Large-cap dividend opportunities: Monitor for better entry points.** BBKA, BBRI, BMRI, BBNI, ASII and TLKM offer attractive dividend yields, but their MSCI constituent status leaves them exposed to potential benchmark-related selling. We would monitor for more attractive entry points as valuations adjust, assessing dividend sustainability alongside earnings, capital requirements and balance-sheet strength. High yields alone may not offset near-term selling pressure, favouring staged accumulation with room to add through further weakness.

45 Shortlisted Names

Ticker	Sector	Last price (Rp)	Trailing yield	FY26F yield	BEst P/E FY26F	Trailing P/E	BEst P/B	P/B (latest book)	ROE	FCF TTM / mkt cap	Cash / mkt cap	DER	Years paid (of 5)	Price chg 1Y
AAID	Energy	10,175	9.80%	11.90%	4.5x	5.8x	1.1x	1.3x	23.10%	10.10%	19.50%	0.2x	2	30.40%
AALI	Consumer Staples	7,800	7.30%	8.40%	8.1x	8.0x	0.6x	0.6x	8.00%	18.50%	18.40%	-	5	-1.30%
ACES	Consumer Discretionary	322	9.90%	9.30%	7.7x	7.2x	0.8x	0.8x	12.20%	18.80%	41.90%	0.2x	5	-22.60%
AKRA	Energy	1,165	8.60%	9.40%	8.3x	8.5x	1.8x	1.5x	22.00%	28.90%	27.40%	0.4x	5	8.90%
ANTM	Materials	2,480	8.50%	9.30%	5.6x	6.7x	1.4x	1.6x	25.50%	2.10%	14.20%	0.1x	5	-28.10%
ASGR	Industrials	2,270	22.40%	n.a.	n.a.	10.1x	n.a.	1.5x	15.50%	15.60%	60.40%	0.0x	5	116.20%
ASII	Industrials	4,130	9.40%	9.20%	5.7x	5.6x	0.7x	0.6x	13.30%	18.50%	31.50%	0.4x	5	-26.60%
ASSA	Logistic	464	10.80%	9.80%	3.8x	4.1x	0.6x	0.5x	19.20%	16.50%	63.40%	1.3x	3	-45.70%
AUTO	Consumer Discretionary	3,140	7.70%	7.20%	6.3x	6.3x	0.9x	0.9x	15.80%	11.70%	29.90%	0.0x	5	36.50%
BBNI	Financials	2,960	11.80%	12.20%	5.2x	5.3x	0.6x	0.6x	12.80%	n.m.	n.m.	n.m.	5	-22.10%
BBRI	Financials	2,540	13.60%	13.10%	6.4x	6.2x	1.1x	1.2x	19.20%	n.m.	n.m.	n.m.	5	-27.40%
BIRD	Industrials	1,380	12.00%	9.60%	4.9x	5.6x	0.5x	0.5x	10.30%	-14.60%	38.90%	0.4x	5	-19.50%
BMRI	Financials	3,360	7.90%	13.40%	5.5x	5.0x	1.0x	1.0x	22.60%	n.m.	n.m.	n.m.	5	-17.00%
BNGA	Financials	1,460	11.10%	10.70%	5.2x	5.4x	0.6x	0.6x	12.50%	n.m.	n.m.	n.m.	5	-12.60%
CNMA	Communication Services	69	17.40%	10.90%	8.0x	9.7x	1.3x	1.3x	14.80%	15.80%	31.50%	0.4x	3	-39.50%
CPIN	Consumer Staples	2,440	7.40%	7.40%	6.3x	5.4x	1.1x	1.2x	22.80%	8.80%	11.10%	0.2x	4	-50.90%
DLTA	Consumer Staples	1,640	11.00%	n.a.	n.a.	9.0x	n.a.	1.7x	21.60%	15.80%	49.20%	0.0x	4	-16.80%
DMAS	Real Estate	164	10.10%	12.40%	5.9x	5.1x	1.1x	1.2x	23.50%	19.10%	4.80%	-	5	23.30%
DRMA	Consumer Discretionary	845	8.30%	5.30%	5.4x	5.7x	n.a.	1.4x	27.30%	15.40%	14.90%	0.1x	5	-12.00%
ELSA	Energy	570	7.80%	n.a.	4.8x	5.1x	0.7x	0.8x	15.70%	28.70%	64.90%	0.1x	5	19.20%
ESSA	Materials	470	11.10%	n.a.	n.a.	8.6x	n.a.	0.8x	13.10%	25.00%	25.90%	0.0x	5	-20.30%
GGRM	Consumer Staples	14,950	5.40%	7.80%	6.2x	6.5x	0.4x	0.5x	7.10%	36.40%	12.60%	0.0x	5	29.40%
HMSP	Consumer Staples	590	9.50%	10.90%	8.4x	7.9x	2.3x	2.4x	34.70%	15.50%	7.00%	0.0x	5	-12.60%
IPCC	Industrials	925	12.20%	n.a.	n.a.	6.8x	n.a.	1.2x	19.10%	20.30%	64.30%	0.4x	5	-12.30%
IPCM	Industrials	246	9.70%	n.a.	5.7x	7.4x	n.a.	1.0x	12.90%	27.10%	42.60%	0.1x	5	-19.60%
ITMG	Energy	23,075	7.50%	8.60%	6.5x	7.4x	0.7x	0.8x	10.90%	-1.30%	51.70%	0.0x	5	3.80%
LSIP	Consumer Staples	1,275	6.50%	6.70%	4.4x	4.2x	0.6x	0.6x	15.20%	25.10%	87.40%	0.0x	5	-5.60%
MLBI	Consumer Staples	6,325	8.90%	n.a.	n.a.	10.4x	n.a.	9.8x	122.30%	9.00%	7.40%	0.1x	5	9.50%
MSTI	Information Technology	1,120	10.90%	n.a.	n.a.	6.3x	n.a.	1.5x	26.80%	-0.70%	46.30%	0.0x	3	-28.40%
PANS	Financials	1,545	16.20%	n.a.	n.a.	6.4x	n.a.	0.7x	12.00%	n.m.	n.m.	n.m.	4	13.20%
PBID	Materials	500	10.60%	n.a.	n.a.	6.1x	n.a.	1.3x	21.70%	14.00%	6.10%	0.0x	4	4.20%
PGAS	Utilities	1,220	10.30%	13.90%	5.6x	7.3x	0.5x	0.5x	8.50%	21.50%	75.40%	0.3x	5	-24.70%
PTBA	Energy	2,870	4.00%	7.70%	6.6x	7.0x	1.3x	1.5x	21.20%	16.90%	13.70%	0.2x	5	29.90%
RALS	Consumer Discretionary	354	14.10%	n.a.	n.a.	8.8x	n.a.	0.7x	6.90%	9.60%	60.30%	0.1x	5	-9.20%
SIDO	Consumer Staples	306	12.10%	9.70%	9.8x	9.4x	2.9x	2.9x	30.40%	12.60%	5.00%	0.0x	5	-43.30%
SMSM	Consumer Discretionary	1,455	10.00%	n.a.	n.a.	7.3x	n.a.	1.9x	29.90%	11.10%	12.90%	0.0x	5	-18.70%
SPTO	Industrials	585	12.00%	n.a.	n.a.	6.1x	n.a.	0.6x	15.30%	20.50%	7.30%	0.1x	5	-7.90%
SSMS	Consumer Staples	820	10.20%	n.a.	3.8x	5.0x	n.a.	2.7x	51.90%	-7.80%	11.20%	2.9x	5	-50.30%
TAPG	Consumer Staples	1,730	11.60%	11.50%	8.3x	8.5x	3.0x	2.9x	36.10%	11.60%	4.80%	0.1x	5	-6.50%
TBLA	Consumer Staples	520	11.50%	10.30%	2.9x	3.5x	0.4x	0.3x	9.50%	-66.40%	16.30%	1.9x	5	-28.30%
TOTL	Industrials	1,255	8.80%	8.50%	8.3x	8.4x	3.0x	3.2x	43.60%	4.20%	25.70%	-	5	43.40%
TOTO	Industrials	226	10.20%	n.a.	n.a.	8.6x	n.a.	0.9x	10.70%	7.50%	17.50%	0.1x	5	-15.70%
UNIC	Materials	13,975	20.70%	n.a.	n.a.	5.7x	n.a.	1.0x	18.60%	19.90%	54.10%	0.0x	5	70.90%
UNVR	Consumer Staples	1,325	15.20%	13.30%	12.0x	14.5x	16.2x	11.3x	302.30%	6.70%	11.30%	0.1x	5	-30.30%
WIIM	Consumer Staples	1,240	8.40%	10.00%	4.1x	4.5x	1.0x	1.2x	27.20%	13.10%	12.90%	0.2x	5	24.00%

Source: Bloomberg, UOB Kay Hian

Technical Analysis

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Source: Tradingview

United Tractors

UNTR IJ

Technical BUY with 5.2% potential return

Resistance: Rp23,150, Rp24,000

Support: Rp21,500, Rp20,100

Stop-loss: Rp21,450

UNTR's price rebounded from its intraday low yesterday and formed a bullish candlestick pattern. As the rebound was supported by higher-than-average daily trading volume, we believe that there is still potential for further price appreciation towards the next resistance level at Rp23,100. The Stochastic Oscillator is moving sideways around its midpoint and could form a bullish crossover pattern. BUY at Rp21,950 and take profit at Rp23,100.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp27,500.



Source: Tradingview

Vale Indonesia

INCO IJ

Technical BUY with 6.5% potential return

Resistance: Rp3,850, Rp3,950

Support: Rp3,450, Rp3,250

Stop-loss: Rp3,000

INCO's price rebounded from its intraday low yesterday and formed a bullish candlestick. The price rally was supported by a trading volume significantly higher than the daily average, indicating potential for further price appreciation. The RSI and Stochastic Oscillator indicators are already in the overbought area, signalling a relatively low price. BUY at Rp3,525 and take profit at Rp3,850.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp7,600.

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