



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52495.9	1.0	1.6	1.6	9.2
S&P 500	7712.6	0.3	(1.2)	0.8	12.7
FTSE 100	10733.0	(0.3)	0.8	0.7	8.1
AS30	8956.4	0.1	1.0	0.4	(0.7)
CSI 300	4152.1	(0.5)	(2.9)	(8.5)	(10.3)
FSSTI	5404.0	(0.1)	(0.5)	(4.8)	16.3
HSCEI	8030.3	(1.2)	(1.7)	(3.7)	(9.9)
HSI	23867.7	(1.3)	(1.7)	(3.6)	(6.9)
JCI	5278.9	5.6	(10.9)	(17.3)	(39.0)
KLCI	1599.6	0.2	(1.5)	(4.0)	(4.8)
KOSPI	5552.7	(3.7)	(8.0)	(20.8)	31.8
Nikkei 225	64075.4	(1.3)	(5.5)	(1.5)	27.3
SET	1554.9	(1.1)	(1.4)	(2.7)	23.4
TWSE	46292.9	(1.1)	(4.2)	(3.0)	59.8
BDI	2593	1.8	(7.4)	(23.1)	38.1
CPO (RM/mt)	4455	0.0	0.8	(3.9)	13.3
Brent Crude (US\$/bbl)	109	(0.7)	2.9	4.7	78.8

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct
1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP)	Singapore	11 Nov	11 Nov
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov

Top Stories

Economics | BI Rate Held At 5.75%: Balancing Rupiah Stability And Growth Support

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- BI held its benchmark rate at 5.75%, defying consensus for a hike, citing rupiah stability near Rp18,000/USD, a weak domestic economy, and alternative currency-defence tools. It paired the hold with looser liquidity – cutting reserve requirements to 7% – and larger DNDF hedging discounts to attract inflows. Markets responded positively, but risks loom: A possible MSCI downgrade, high oil prices, and Fed hikes are expected in Dec 26 and 1Q27, pointing to two BI Rate hikes ahead.

Company Update | Cisarua Mountain Dairy (CMRY IJ/BUY/Rp4,250/Target: Rp5,800)

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- Growth should stay resilient in 3Q26, keeping CMRY on track for its 15-20% revenue growth guidance, while gross margin should hold within the 42-44% guidance despite rupiah weakness. The growth story remains intact on channel expansion and product innovation, backed by a solid balance sheet, and margins should recover in 2027 on price increases, insurance recovery and direct milk powder imports. Maintain BUY with a lower target price of Rp5,800 (from Rp6,400), based on 20x 2026F PE.

Technical Analysis

Barito Pacific | BRPT IJ

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- Trading Buy Range: We have a technical Buy at Rp1,480, and take profit at Rp1,600.

Trimegah Bangun Persada | NCKL IJ

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- Trading Buy Range: We have a technical Buy at Rp790, and take profit at Rp830.

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.

Economics

BI Rate Held At 5.75%: Balancing Rupiah Stability And Growth Support

Highlights

- **BI held rates at 5.75%, defying consensus for a hike**, citing rupiah stability, a weak domestic economy, and alternative currency-defense tools. The rupiah has been relatively stable near Rp18,000/USD amid bond-market inflows and a softer US dollar, while weak retail sales, soft consumer confidence, low private credit growth, and subdued inflation (3.28% yoy) argued against tightening.
- **BI paired the hold with looser liquidity and stronger inflow incentives.** It cut reserve requirements from 9% to 7% for conventional banks (with the KLM incentive trimmed from 6% to 5%), raised the deposit facility rate to 5.00% to curb money growth, and increased DNDF hedging discounts to 40% (6-month) and 45% (12-month) to attract foreign capital. Markets responded positively: The rupiah firmed just below Rp18,000/USD, 10-year bond yields edged lower, and the JCI strengthened.
- **The outlook is challenging, with risks skewed toward outflows and eventual rate hikes.** A possible MSCI downgrade to standalone market status, high oil prices, and rising US inflation pointing to Fed hikes in Dec 26 and 1Q27 could worsen sovereign risk premiums and pressure the Rupiah, leading to two 25 bps BI rate hikes in tandem with the Fed.

Analysis

- **Bank Indonesia (BI) held its benchmark BI Rate at 5.75% at its Oct 26 Board of Governors meeting.** The decision defied market consensus, which had expected a 25 bps hike to 6.00%, but aligned with our forecast of a hold. The move represents the latest step in BI's delicate balancing act, driven by several factors.
- **First, the rupiah has been relatively stable, hovering around the Rp18,000/USD mark**, with 30-day currency volatility low compared to peers. This stability was supported by significant capital inflows into Indonesia's financial markets – mostly into the bond market following the equity market rout since the MSCI announcement – as well as by global factors such as a weaker US dollar and declining US Treasury yields as investors began buying into the US bond market. Domestically, Indonesia's external balance improved slightly, as reflected in the rising trade balance in Aug 26.
- **Second, the domestic economy remains relatively weak.** Retail sales growth remains subdued, consumer confidence has softened, and privately owned banks have reported low credit growth, signalling weak private sector activity. Domestic inflationary pressure also remains subdued at 3.28% yoy in Sep 26. Third, BI retains other tools to defend the currency, including foreign currency intervention, hedging discounts, and SRBI bond yields (which are on a declining trend). Raising the policy rate while the economy is weak would only further drag on growth.
- **Despite keeping the policy rate unchanged, BI unveiled several significant policy changes.** First, the central bank reduced the reserve requirement (Giro Wajib Minimum) from 9% to 7% for conventional banks over the next two months and lowered the maximum macroprudential incentive (KLM) from 6% to 5%, effectively reducing the reserve requirement from 3% to 2%. This should benefit the banking sector, which has experienced tighter liquidity. However, the effect is partly offset by BI's move to raise the deposit facility rate from 4.75% to 5.00%, which reduces money growth and alleviates pressure on the rupiah.

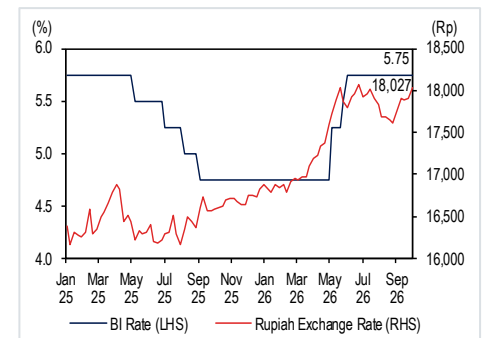
Analyst(s)

Suryaputra Wijaksana

suryaputrawijaksana@kh.co.id

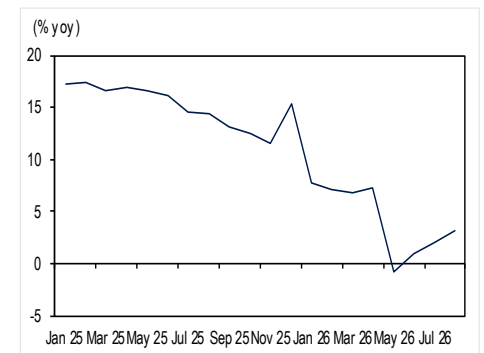
+6221 2993 3888

BI Rate And Rupiah Exchange Rate



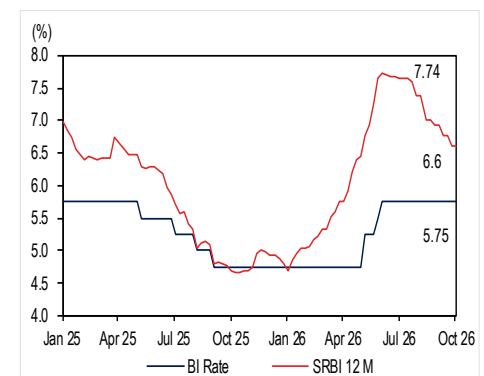
Source: Bloomberg

Credit Growth Of Privately-Owned Banks



Source: Bloomberg, UOB Kay Hian

BI Rate And SRBI Yield



Source: Bloomberg

- **Third, the central bank further increased its hedging discount for Domestic Non-Deliverable Forwards (DNDF) based on investment tenor**, enhancing incentives and easing foreign investment into the country's bond markets, foreign direct investment, and bank foreign loans. The hedging discount was raised from 25% to 40% for 6-month tenors and from 40% to 45% for 12-month tenors.
- **Markets greeted these policy moves positively**: The rupiah strengthened to just below Rp18,000/USD, 10-year government bond yields declined slightly, and the Jakarta Composite Index also strengthened.

Outlook

- **BI's new approach** – leveraging foreign capital inflows and keeping domestic liquidity ample but not abundant to support rupiah stability while allowing improved bank liquidity – has so far kept the balance and worked in a volatile global environment. This is largely due to the higher yields of Indonesian government bonds and SRBI, which have improved returns for foreign investors.
- **However, the outlook going forward is quite challenging**. A possible downgrade to standalone market status by global index provider MSCI is likely to increase global scrutiny of Indonesian credit ratings, as reflected in statements by global credit rating agency Fitch yesterday (20/10). This, together with still-high oil prices, may continuously push for worsening sovereign risk premiums, increasing pressure on capital outflows and the rupiah. Additionally, increasingly significant global flows into US Treasuries may well end the significant inflows into emerging market bonds, ending the mercy of global investors.
- **The situation in the US is not shining either**. Higher global prices have caused a resurgence in US inflation, both on the producer and consumer sides, pushing up US PPI and CPI inflation. This has increased the possibility of further Fed rate hikes, which we expect in Dec 26 and another in 1Q27.
- Our own research has found that one of the most significant variables determining the BI Rate is the Fed Funds Rate, which drives the rate differential. We therefore call for two 25 bps rate hikes – one in Dec 26 and another in 1Q27 – in line with the Fed.

Cisarua Mountain Dairy (CMRY IJ)

On Track For Guidance

Highlights

- Growth should stay resilient into 3Q26, keeping CMRY on track for its 15-20% revenue growth guidance for 2026. Gross margin should remain within the 42-44% guidance range (2025: 45.3%) despite the weak rupiah.
- The growth story remains intact on channel expansion and product innovation, backed by a solid balance sheet. Margins should recover in 2027 on a price increase, insurance recovery and direct milk powder imports.
- Maintain BUY with a lower target price of Rp5,800 (from Rp6,400) based on 20x 2026F PE.

Analysis

- **Growth stays resilient into 3Q26.** Cisarua Mountain Dairy (CMRY) posted another record quarter, with 2Q26 revenue up 23% yoy, driven entirely by volume. Dairy remained the key driver, up 57% yoy for a fourth consecutive quarter of double-digit growth, on outlet expansion, larger drop sizes and product innovation. Consumer foods grew by a more modest 6% yoy, which the company attributed to the free meal programme reducing breakfast consumption at home and to its capacity being fully utilised, hence growth should stay modest until the new plant starts operations in 1Q27. We expect this trend to continue into 3Q26, keeping CMRY on track for its 2026 revenue growth guidance of 15-20% (1H26: +25.5% yoy).
- **GT and Miss Cimory remained the key drivers.** The sales mix continued to shift toward these higher-growth channels, with General Trade (GT) rising to 38% of 1H26 sales (1H25: 35%) and Miss Cimory to 21% (20%), while MT declined to 36% (41%). This was supported by a 6.6% yoy increase in GT outlets to 210,849 and a 28% rise in Miss Cimory agents to 9,778, with management targeting 500,000 outlets and 20,000 agents by 2030. Meanwhile, exports doubled yoy, albeit still contributing only 1.5% of sales. CMRY also opened its first Cimory Yogurt store as a direct-to-consumer channel, which remains in its initial phase and serves mainly for branding purposes, with no aggressive rollout planned.
- **Margin holding within guidance.** 2Q26 gross margin declined to 43.5% (2Q25: 45.3%), as CMRY fully absorbed higher raw material costs and rupiah depreciation without raising ASP. Operating margin fell further to 18.3% (2Q25: 23.3%), also weighed by a Rp97b inventory fire provision (2.9% of sales). Margins should remain under pressure in 2H26 due to the weak rupiah, although management expects gross margin to stay within its 42-44% guidance range. Looking ahead, a selective ASP increase in December, the insurance recovery expected in 1Q27, and direct imports of whole milk powder from 2027, bypassing local distributors, should provide margin upside.

Key Financials

Year to 31 Dec (Rp)	2024	2025	2026F	2027F	2028F
Net turnover	9,026	10,724	12,262	13,832	15,565
EBITDA	1,836	2,485	2,823	3,215	3,655
Operating profit	1,672	2,288	2,587	2,936	3,329
Net profit	1,520	2,033	2,303	2,628	2,995
EPS (Rp)	191.6	256.4	290.4	331.5	377.7
PE (x)	22.2	16.6	14.6	12.8	11.3
P/B (x)	5.0	5.0	4.2	3.6	3.1
EV/EBITDA (x)	17.7	13.2	11.4	9.9	9.2
Dividend yield (%)	2.1	5.9	3.3	3.7	4.2
Net margin (%)	16.8	19.0	18.8	19.0	19.2
Net debt/(cash) to equity (x)	(0.3)	(0.2)	(0.1)	(0.1)	(0.2)
Interest cover (x)	1,247.1	919.8	1,293.6	1,468.2	1,664.4
ROE (%)	22.5	30.0	28.8	28.1	27.4
UOBKH/Consensus (x)	-	-	1.02	0.99	0.98

Source: CMRY, Bloomberg, UOB Kay Hian

Analyst(s)

Willinoy Sitorus

willinoysitorus@kh.co.id
+6221 2993 3845

Audrey Celia

audreycelia@kh.co.id
+6221 2993 3860

BUY (Maintained)

Share Price	Rp4,250
Target Price	Rp5,800
Upside	+36.5%
Previous TP	Rp6,400

Stock Data

Sector	Consumer Staples
Bloomberg ticker	CMRY IJ
Shares issued (m)	7,935
Market cap (Rp)	33,722
Market cap (US\$m)	1,871
3-mth avg daily t'over (US\$m)	0.7

Price Performance (%)

52-week high/low	Rp6,450/Rp3,880			
1mth	3mth	6mth	1yr	YTD
(5.6)	(8.0)	(7.2)	(15.8)	(24.8)

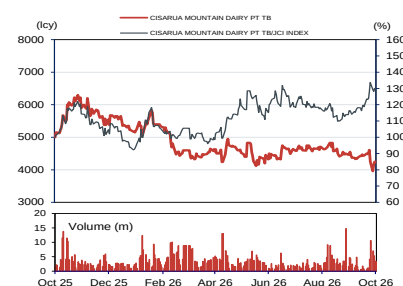
Major Shareholders (%)

Sutantio Bambang	53.6
Sutantio Farell Grandisuri	7.7
Sutantio Wenzel	7.2
Sutantio Axel	6.8

Balance Sheet Metrics

FY26 NAV/Share (Rp)	1,008
FY26 Net Cash/Share (Rp)	119

Price Chart



Source: Bloomberg

Company Description

Cisarua Mountain Dairy manufactures and sells a diverse range of foodstuffs, including dairy products such as yogurt and milk, as well as chilled and frozen processed meat like sausages and nuggets.

- **Continuous product innovation and marketing support long-term growth.** CMRY continued to expand its portfolio in 1H26 with the launch of Cimory Eat Milk Matcha, Kanzler Singles Sausage Tom Yum, Cimory Yogurt Bites Almond & Dates, and its first sauce, Kanzler Nyaos Gochujang. On the marketing front, the company remains focused on community-led, experience-driven engagement, generating 5.3b+ digital impressions across social media and 1b+ through experiential events, while its “Cimory Goes to School” programme has reached 2.3m students across 4,312 schools to build yogurt consumption habit from a young age. A&P spending rose 18% yoy in 1H26 to support the new launches, although it eased to 11.2% of sales (1H25: 11.9%), supporting both brand equity and new product adoption.
- **Balance sheet remains solid.** CMRY maintains a net cash position of Rp3.7t with no debt. It holds Rp2.3t of US dollar-denominated government bonds, or 75% of its Rp3.1t investment in marketable securities, which provides a natural hedge against rupiah volatility. This generated an unrealised forex gain of Rp134b in 1H26 (11% of net profit; 1H25: Rp5b), booked under finance income.

Valuation/Recommendation

- **Maintain BUY with a lower target price of Rp5,800 (from Rp6,400),** based on 20x 2026F PE (three-year average, from 22x previously), to reflect heightened macro and country market risks. Nevertheless, we still like CMRY for its proven resiliency. It has delivered solid growth and healthy margins despite soft purchasing power and cost pressures, and it has a net cash balance sheet with US dollar investments. The stock trades 14.6x PE, near -2SD of its three-year mean forward PE.

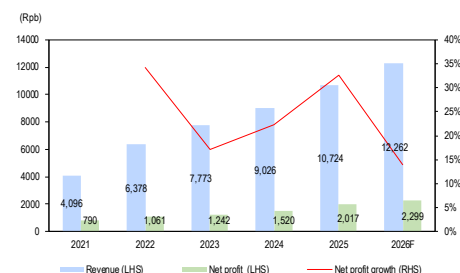
Earnings Revision/Risk

- No earnings revision.
- **Key risks:** a) Raw material costs fluctuation, b) rupiah depreciation, c) weak purchasing power, and d) intensifying competition.

Share Price Catalyst

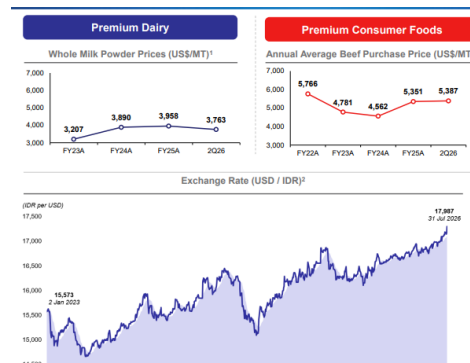
- a) 3Q26 results, b) new consumer food plant starting operations in 1Q27, and c) margin recovery from direct whole milk powder imports and the insurance recovery on the fire provision.

Revenue And Net Profit Trend



Source: CMRY, UOB Kay Hian

Raw Material Prices and Exchange Rate



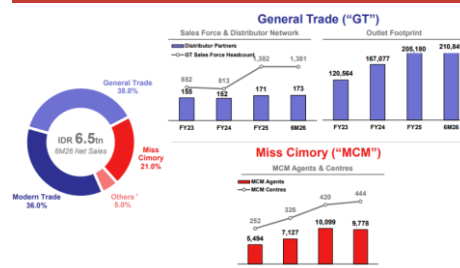
Source: CMRY

New Product Innovation



Source: CMRY

Sales Across Channel



Source: CMRY

Profit & loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	10,724	12,262	13,832	15,565
EBITDA	2,485	2,823	3,215	3,655
Deprec. & amort.	198	236	279	327
EBIT	2,288	2,587	2,936	3,329
Total other non-operating income/(expense)	14	5	5	5
Net interest income/(expense)	259	308	369	438
Pre-tax profit	2,560	2,901	3,310	3,772
Tax	(528)	(598)	(682)	(777)
Minorities	(0)	(0)	(0)	(0)
Net profit	2,033	2,303	2,628	2,994

Cash flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	1,906	2,563	2,820	3,204
Net profit	2,033	2,303	2,628	2,995
Deprec. & amort.	198	236	279	327
Working capital changes	(106)	(37)	(151)	(183)
Other operating cashflows	(218)	60	63	66
Investing	(252)	(1,028)	(946)	(1,058)
Capex (growth)	(541)	(797)	(692)	(778)
Investments	-	-	-	-
Others	289	(231)	(254)	(280)
Financing	(1,987)	(1,098)	(1,249)	(1,424)
Dividend payments	(1,984)	(1,098)	(1,249)	(1,424)
Proceeds & repay borrowings	(1)	-	-	-
Others	(2)	-	-	-
Net cash inflow (outflow)	(332)	437	625	722
Beginning cash & cash equivalent	1,280	948	1,385	2,009
Change due to forex impact	0	0	0	0
Ending cash & cash equivalent	948	1,385	2,009	2,731

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	2,180	2,741	3,154	3,606
Other LT assets	2,369	2,487	2,612	2,742
Cash/ST investment	948	1,385	2,009	2,731
Other current assets	3,244	3,347	3,788	4,307
Total assets	8,741	9,960	11,563	13,386
ST debt	0	0	0	0
Other current liabilities	1,882	1,880	2,086	2,317
LT debt	0	0	0	0
Other LT liabilities	74	89	107	128
Shareholders' equity	6,785	7,990	9,369	10,940
Minority interest	0	0	0	0
Total liabilities & equity	8,741	9,959	11,562	13,385

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	23.2	23.0	23.2	23.5
Pre-tax margin	23.9	23.7	23.9	24.2
Net margin	19.0	18.8	19.0	19.2
ROA	23.3	23.1	22.7	22.4
ROE	30.0	28.8	28.0	27.4
Growth				
Turnover	18.8	14.3	12.8	12.5
EBITDA	35.4	13.6	13.9	13.7
Pre-tax profit	34.4	13.3	14.1	13.9
Net profit	33.8	13.3	14.1	13.9
EPS	33.8	13.3	14.1	13.9
Leverage				
Debt to equity (x)	-	-	-	-
Net debt/(cash) to equity (x)	(0.2)	(0.1)	(0.1)	(0.2)

Technical Analysis



Source: Tradingview



Source: Tradingview

Analyst(s)

Maskun Ramli, CFTE

maskunramli@kh.co.id

+6221 2993 3915

Barito Pacific

BRPT IJ

Technical BUY with 8% potential return

Resistance: Rp1,510, Rp1,670

Support: Rp1,315, Rp1,270

Stop-loss: Rp1,310

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence, we see potential for price to make more rallies and challenge the resistance at Rp1,510 and Rp1,670. Technical indicator RSI is sloping upwards and back above its midline, while the MACD has just given a bullish signal. Buy at Rp1,480 and take profit at Rp1,600.

Approximate timeframe: 2-4 weeks.

Trimegah Bangun Persada

NCKL IJ

Technical BUY with 5% potential return

Resistance: Rp815, Rp830

Support: Rp735, Rp645

Stop-loss: Rp730

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence, we see potential for more rallies ahead, and price could challenge the resistance at Rp815 and Rp830. Technical indicator RSI is sloping upwards and approaching its midline, while the Stochastic has just given a bullish signal. Buy at Rp790 and take profit at Rp830.

Approximate timeframe: 2-4 weeks.

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