KayHian Sekuritas

Country Daily | Indonesia

Thursday, 19 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	50198.2	(1.1)	(4.4)	(3.5)	4.4
S&P 500	7323.6	(0.2)	(3.9)	(4.4)	7.0
FTSE 100	10551.2	(1.3)	(2.6)	(3.0)	6.2
AS30	8858.0	(0.8)	(4.5)	(1.3)	(1.8)
CSI 300	3983.8	0.2	(2.3)	(4.6)	(14.0)
FSSTI	5054.9	(1.1)	(4.4)	(6.6)	8.8
HSCEI	7836.3	(0.9)	(4.1)	(3.6)	(12.1)
HSI	23294.8	(0.9)	(4.2)	(3.7)	(9.1)
JCI	5247.9	(1.1)	2.6	5.0	(39.3)
KLCI	1566.7	(0.5)	(1.8)	(1.8)	(6.7)
KOSPI	5067.4	2.0	(5.7)	(12.1)	20.2
Nikkei 225	59024.3	0.3	(3.6)	(9.1)	17.3
SET	1472.0	(0.2)	(2.0)	(6.3)	16.9
TWSE	40194.9	0.3	(9.2)	(14.2)	38.8
BDI	2914	0.7	(1.5)	16.0	55.2
CPO (RM/mt)	4179	(1.4)	4.9	(6.2)	6.2
Brent Crude (US$/bbl)	91	(1.8)	(1.4)	(16.8)	50.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Bangkok	23 Nov	23 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Kuala Lumpur	25 Nov	25 Nov
Virtual Analyst Presentation by Jonathan Koh on S-REITs Results Wrap	Singapore	25 Nov	25 Nov
Regional 1H27 Strategy Conference	Malaysia	02 Dec	02 Dec

Top Stories

Economics | BI Surprises With Rate Hike to Defend the Rupiah Page 2 →

- Bank Indonesia surprised markets by raising its benchmark rate to 6.00% to defend the rupiah, which hit an all-time low of Rp18,264 (−8.47% ytd), and to pre-empt inflation amid declining forex reserves. Markets reacted negatively, with bond yields rising to 7.71% and the JCI falling 1%. The rupiah is expected to remain under pressure into 1Q27 due to a potential MSCI downgrade, a large current account deficit, and a strong US dollar.

Company Results | XLSMART Telecom Sejahtera (EXCL IJ/**BUY**/Rp1,715/Target: Rp3,000) Page 4 →

- We maintain BUY with a lower target price of Rp3,000, rolled over to 2027 and based on 4.9x 2027F EV/EBITDA, reflecting a more conservative valuation amid elevated capex requirements and a higher interest rate environment. EXCL's core operations remain resilient, with ARPU and subscribers growing qoq, while the accelerated depreciation has been completed and merger synergies have exceeded expectations. These factors should support an earnings recovery and potential re-rating, although elevated 5G capex remains a key concern.

Technical Analysis

Bank Central Asia | BBCA IJ Page 7 →

- Trading Buy Range: We have a technical Buy at Rp5,750, and take profit at Rp6,025.

Erajaya Swasembada | ERAA IJ Page 7 →

- Trading Buy Range: We have a technical Buy at Rp520, and take profit at Rp575.

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 Surprises With Rate Hike to Defend the Rupiah

Highlights

- **Surprise hawkish hike**. BI raised its benchmark rate to 6.00% from 5.75% on Nov 26, defying consensus. This was done to defend the rupiah - which hit an all-time low of Rp18,264 (−8.47% ytd) - and to pre-empt the Fed's rate hikes, rising domestic inflation amid declining forex reserves (below US$100b). BI also raised DNDF hedging discounts to attract foreign inflows.
- **Negative market reaction.** The rupiah strengthened only briefly before resuming its weakening trend - the 10-year bond yield rose to 7.71% and the JCI fell 1%, as markets attributed the currency's weakness to the strong US dollar and domestic non-monetary factors (confusing policy signals, expansive fiscal policy, ballooning fuel subsidies).
- **BI's hawkish turn aims to pre-empt the Fed's tightening, which currently stands at** 96.7% odds of a 26bps hike to 4.25% in Dec 26, with more hikes in 2027. However, the repricing effect depends on 10-year bond yields reaching a justified 7.8-8.0% for a healthy spread over US Treasuries, which hinges on BI's intervention, especially at longer tenors.
- **Rupiah expected to remain under strain.** Despite the hike, the rupiah is expected to stay under pressure throughout 1Q27 due to a potential MSCI downgrade (US$10b outflows in 2027), a large current account deficit, and a still-strong US dollar amid a hawkish Fed.

Analysis

- **BI hiked its benchmark BI Rate to 6.00% from 5.75% previously at its Nov 26 Board of Governors meeting.** The decision defied market consensus, which had expected a hold at 5.75%. In our view, the move was hawkish following the central bank's easing policy over the previous several months. The shift was driven by several factors.

  a) **The rupiah has depreciated to an all-time low of Rp18,264 as of 17 Nov 26, down 8.47% ytd.** This is one of the worst performances among emerging market currencies. The depreciation was driven by global factors, including a stronger Dollar Index amid a more hawkish Federal Reserve. Global geopolitics have not helped either, with further escalations in the Middle East and Europe keeping oil prices elevated.

  b) **The foreign reserve-to-import coverage ratio has continued to decline.** Our calculations show that Bank Indonesia's (BI) foreign reserve-to-import ratio has fallen due to rapid import growth stemming from expansive domestic economic activity. In addition, net foreign reserves have fallen below US$100b by our calculations, further reducing BI's ability to intervene in the foreign currency market.

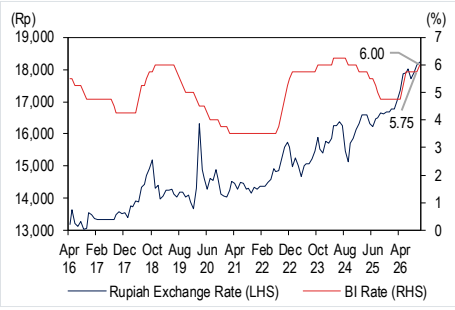
  c) **The domestic economy remains on an expansionary trend, alongside potentially higher inflation pressures.** Higher GDP growth in the third quarter was accompanied by expansive credit growth by corporates and state-owned enterprises (SOE). The rate hike is also a pre-emptive strike against domestic inflation, which is rising due to increases in volatile and administered inflation. Higher whole-price inflation (WPI) also highlights potentially higher CPI inflation pressure in 2027.

- **In addition to raising the policy rate, 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 40% to 45% for 6-month tenors and from 45% to 50% for 12-month tenors. Furthermore, the central bank also added a new repo instrument - the cross-currency repo,

Analyst(s)

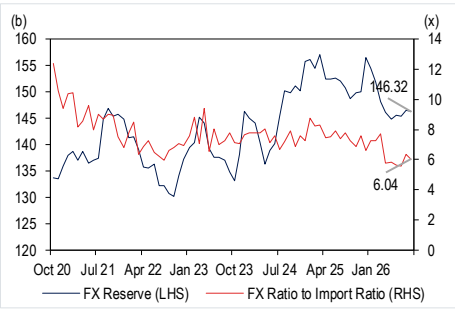
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BI Rate And Rupiah Exchange Rate



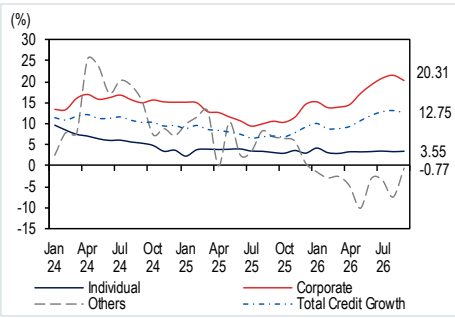
Source: Bloomberg

Foreign Reserve To Import Coverage Ratio



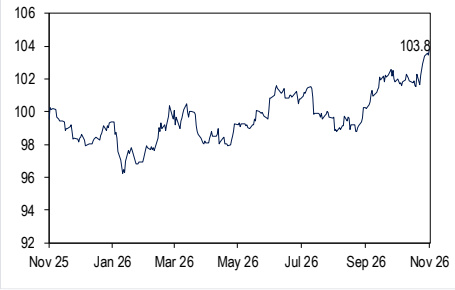
Source: Bloomberg, UOB Kay Hian

Growth In Banking Credit



Source: Bank Indonesia

Dollar Index



Source: Bloomberg

which allows banks to repo their foreign currency-denominated bond holdings to get rupiah liquidity.

- **Market reaction was negative**. The rupiah strengthened briefly but then resumed its weakening trend. The 10-year government bond yield rose to 7.71%, while the Jakarta Composite Index (JCI) declined 1% after the announcement. The negative reaction reflected the market's belief that the rupiah's depreciation was caused by a strong US dollar and domestic non-monetary factors, such as speculation on government policy statements (including Prabowo's statement that 70% of mining proceeds should go to the state), expansive fiscal policy, and ballooning fuel subsidies due to high oil prices.

Outlook

- **BI's hawkish turn represents an effort to pre-empt a rise in global interest rates, especially by the Federal Reserve.** The CME FedWatch shows a 96.7% chance that the Fed will raise its Federal Funds Rate by 26bps to 4.25% in Dec 26. This Fed rate hike is likely to continue into 2027, with further rate hikes in Jan and Mar 27.
- **However, the repricing effect of the new policy tightening will also depend on Indonesian government bond yields**, which in our view has not fully repriced to a fundamentally justified level of 7.8–8.0% for 10-year government bonds, which would result in a healthy yield spread against rising US Treasury yields. This repricing will depend on the central bank's own programme to intervene in the bond market, especially in the longer tenors.
- **This will be complemented by BI's current approach of leveraging foreign capital inflows** by increasing the hedging discount on the DNDF. So far, this policy has partially succeeded, with foreign capital flows resuming in the bond market. As of 16 Nov 26, foreign investors had bought US$3.12b in Indonesian government bonds.
- **Despite the rate hikes, we believe the rupiah will remain under strain and continue to depreciate from now till end-26 and well into 1Q27**. This is due to several factors:

  a) The looming downgrade to Standalone Market status by the MSCI, which we assume will cause US$10b in capital outflow in 2027. We calculate the rupiah's sensitivity to capital outflow and find that a capital outflow of US$1b in the equity market will cause a rupiah depreciation of Rp100-150, ceteris paribus.

  b) The relatively large current account deficit, caused by high oil prices and expansive domestic industrial activity driven by expansive fiscal and state-related activities.

  c) The still-strong Dollar Index, caused by a still-strong US economy and a hawkish Fed.

XLSMART Telecom Sejahtera (EXCL IJ)

3Q26: Merger Cost Normalisation to Support Earnings Recovery

Highlights

- **Core mobile operations remain resilient.** EXCL was the only MNO among peers to record qoq growth in both ARPU and subscribers, while XL Home subscribers increased 7% qoq.
- **Merger cost normalisation could drive an earnings re-rating.** Accelerated depreciation has been completed, and integration costs are nearing an end. 9M26 synergies reached US$294m, supporting an earnings recovery from 4Q26 onwards.
- **Maintain BUY** with a lower target price of Rp3,000.

3Q26 Results

Year to 31 Dec (Rpb)	9M26	9M25	yoy (%)	3Q26	2Q26	3Q25	qoq (%)	yoy (%)
Revenue	35,737	30,547	17.0	15,097	15,432	14,052	-3.5	2.6.
EBITDA	16,707	12,716	31.0	6,471	7,497	6,571	-5.8	15.0
EBIT	1,003	32	3056.0	2,100	3,306	2,658	-30.7	n.a
EBT	-2,018	-2,997	n.a	851	2,277	1,663	n.a	n.a
Net Income	-1,601	-2,603	n.a	613	1,674	1,252	n.a	n.a
Margins (%)								
EBITDA Margin	46.7%	41.6%		45.8%	46.9%	40.8%		
EBIT Margin	2.8%	0.1%		3.1%	4.3%	-4.3%		
EBT Margin	-5.6%	-9.8%		-6.0%	-3.3%	-14.5%		
Net Income Margin	-4.5%	-8.5%		-5.2%	-2.3%	-12.0%		

Source: EXCL, UOB Kay Hian

Analysis

- **Merger-related costs nearing completion, with core operations remaining resilient.** XLsmart's (EXCL) 3Q26 net loss widened to Rp607b from Rp277b in the previous quarter, while revenue declined 3.5% qoq, mainly due to lower project-related revenue. However, core network operations remained resilient, with mobile and fixed broadband (FBB) revenue increasing 0.5% qoq, supported by a 0.9% increase in mobile subscribers and higher average revenue per user (ARPU) of Rp47,500 (vs Rp46,900 in 2Q26). Notably, EXCL was the only mobile network operator (MNO) among its peers to record increases in both ARPU and subscribers. XL Home subscribers also grew 7% qoq.

Key Financials

Year to 31 Dec (Rpb)	2024	2025	2026F	2027F	2028F
Net turnover	34,392	42,446	46,432	49,299	52,205
EBITDA	18,049	16,875	22,458	24,694	26,940
Operating profit	5,758	(1,139)	3,567	9,571	10,660
Net profit (rep./act.)	1,819	(4,427)	-978	3,712	4,302
Net profit (adj.)	1,678	1,484	3,592	4,110	4,302
EPS (Rp)	100	(243)	-54	204	236
PE (x)	17.2	(7.1)	-31.9	8.4	7.3
P/B (x)	1.2	1.0	1.1	1.0	0.9
EV/EBITDA (x)	4.2	5.4	4.3	3.9	3.7
Dividend yield	2.1	12.9	-	-	3.0
Net margin (%)	5.3	(10.4)	-2.1	7.5	8.2
Net debt/(cash) to equity (%)	170.5	200.5	227.2	200.8	192.0
Interest cover (x)	1.8	(0.3)	0.8	2.0	2.1
ROE (%)	6.9	(14.8)	-3.4	11.3	11.9
Consensus net profit			(1,500)	3,259	4,078
UOBKH/Consensus (x)			n.a	1.14	1.05

Source: EXCL, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Rp1,715
Target Price	Rp3,000
Upside	+74.9 %
Previous TP	Rp3,600

Stock Data

Sector	Telecommunications
Bloomberg ticker	EXCL IJ
Shares issued (m)	18,200
Market cap (Rpb)	31,213
Market cap (US$m)	1,712
3-mth avg daily t'over (US$m)	1.4

Price Performance (%)

52-week high/low				Rp4,550/Rp1,410
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(5.5)	(41.1)	(41.7)	(37.2)	(54.3)

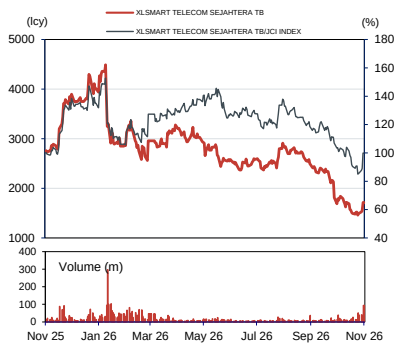
Major Shareholders (%)

Axiata Investments (Indonesia) Sdn. Bhd.	34.7
Bali Media Telekomunikasi	24.6

Balance Sheet Metrics

FY26 NAV/Share (Rp)	1,596
FY26 Net Cash/Share (Rp)	(3,626.5)

Price Chart



Source: Bloomberg

Company Description

A telecommunications service provider, with cellular and mobile internet services as its main businesses.

- **Merger cost normalisation could drive an earnings re-rating.** With accelerated depreciation now completed and integration costs nearing an end, EXCL should see improving earnings quality from 4Q26 onwards, although some Link Net-related impairment may remain. This, alongside continued ARPU recovery and merger synergies, could support a similar re-rating trajectory to Indosat (ISAT), whose share price has re-rated as EBITDA margins improved from 40.3% in 1Q22 to 44.1% in 4Q22. EXCL has already delivered US$294m in gross synergies in 9M26, ahead of its previous FY26 target of US$250m-300m. Management has also raised its FY26 capex guidance to Rp24t to accelerate 5G deployment, with 2026 expected to mark the peak investment year.

Breakdown Of Post-Merger Costs

Stronger Core Earnings, Closer to Sustainable Profitability XLSMART

Accelerated depreciation has been fully completed

(in IDR Bn)	1Q 25	2Q 25	3Q 25	4Q 25	FY 25	1Q 26	2Q 26	3Q 26	9M 26
Reported EBITDA	**4,321**	**4,486**	**4,858**	**4,116**	**17,781**	**5,402**	**5,569**	**5,323**	**16,294**
Integration costs (Opex)	-	475	544	1,338	2,357	28	51	49	128
Normalized EBITDA	**4,321**	**4,962**	**5,402**	**5,454**	**20,138**	**5,430**	**5,619**	**5,372**	**16,422**
Reported PAT	**388**	**(1,607)**	**(1,377)**	**(1,818)**	**(4,414)**	**(716)**	**(282)**	**(606)**	**(1,604)**
Integration costs (Opex)*	-	371	424	1,044	1,839	22	39	38	100
Accelerated depreciation	-	739	1,820	1,930	4,489	2,069	1,597	1,190	4,856
Asset impairment	-	802	287	-	1,089	-	-	234	234
Normalized PAT	**388**	**305**	**1,154**	**1,155**	**3,003**	**1,375**	**1,354**	**856**	**3,585**

Normalized PAT reached IDR 3.6tn, exceeding FY25's IDR 3.0tn as integration is nearly completed

* Adjusted with corporate income tax rate

Source: EXCL

Valuation/Recommendation

- **Maintain BUY with a lower target price of Rp3,000,** based on 4.9x 2027F EV/EBITDA, representing a 1SD discount to its post-merger average multiple, reflecting concerns that elevated 5G capex could strain balance sheets amid persistently high interest rates, with EXCL being the most exposed given its relatively high leverage.

Earnings Revision/Risk

- **Earnings revision.** We revise our earnings to closer reflect the newer guidance from management.

Earnings Revision

	New		Original		Difference (%)	
(Rpb)	2026F	2027F	2026F	2027F	2026F	2027F
Revenue	46,432	49,299	45,110	48,803	0%	0%
EBITDA	22,458	24,694	20,998	23,342	2%	0%
Operating Profit	3,567	9,571	2,107	8,706	24%	0%
Net Profit	-978	3,712	-2,103	3,266	-19%	0%
Core Profit	3,592	4,110	3,461	4,060	-11%	0%
Margins						
EBITDA Margin (%)	48.4%	50.1%	47.7%	47.8%		
Opr Margin	7.7%	19.4%	5.8%	17.8%		
Net Margin	-2.1%	7.5%	-3.8%	6.7%		
Core Net Margin	7.7%	8.3%	6.8%	8.3%		

Source: UOB Kay Hian

- **Downside risks:** a) Weaker-than-expected ARPU recovery; b) unfavourable changes in regulation; and c) longer-than-expected merger duration.

Share Price Catalyst

- Proper EBITDA margin improvement.
- Sinarmas Group acquiring a higher stake in EXCL.

Full-Year Guidance



Source: EXCL

ISAT's Post-Merger Share Price



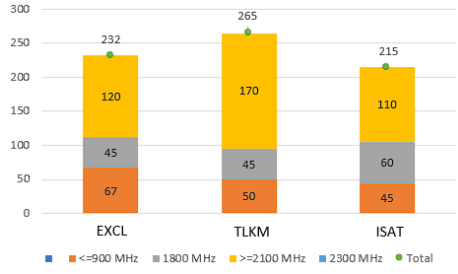
Source: ISAT, UOB Kay Hian, Bloomberg

ISAT's Post-Merger Key Metrics

Key Metrics	4Q21	1Q22	2Q22	3Q22	4Q22
Revenue	8,333	10,873	11,654	12,004	12,221
EBITDA	3,497	4,380	4,898	5,109	5,388
EBITDA%	42.0%	40.3%	42.0%	42.6%	44.1%
Reported Net Profit	951	129	3,132	427	1,036
Adj. Net Profit	212	44	105	475	835
Adj. Annualized P/E at release	55.37	320.68	128.16	26.95	14.91

Source: Bloomberg, UOB Kay Hian

Telco Spectrum Holdings



Source: EXCL, UOB Kay Hian

Profit & loss

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Net turnover	42,446	46,432	49,299	52,205
EBITDA	18,049	16,875	22,458	24,694
Deprec. & amort.	18,014	18,891	15,123	16,280
EBIT	(1,139)	3,567	9,571	10,660
Total other non-operating income	(141)	-	-	-
Net interest income/(expense)	(3,918)	(4,572)	(4,621)	(4,956)
Pre-tax profit	(5,263)	(1,211)	4,744	5,498
Tax	849	249	(974)	(1,128)
Minorities	(13)	(15)	(58)	(68)
Net profit	(4,427)	(978)	3,712	4,302

Balance Sheet

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Fixed assets	35,359	41,803	46,106	47,977
Other LT assets	79,960	78,326	79,184	75,715
Cash/ST investment	2,666	4,857	2,763	2,560
Other current assets	12,354	11,184	14,687	10,592
Total assets	115,318	120,129	125,290	123,693
ST debt	11,216	13,857	13,161	13,869
Other current liabilities	20,624	18,346	21,902	13,319
LT debt	51,611	57,002	55,509	58,319
Other LT liabilities	1,859	1,878	1,902	1,927
Shareholders' equity	29,834	28,857	32,569	35,943
Minority interest	174	189	248	315
Total liabilities & equity	115,318	120,129	125,290	123,693

Cash flow

Year to 31 Dec (Rpb)	2025	2026F	2027F	2028F
Operating	17,501	16,839	18,970	16,189
Net profit before MI	(4,414)	(963)	3,771	4,370
Deprec, & amort,	18,014	18,891	15,123	16,280
Working capital changes	3,310	(1,089)	76	(4,462)
Other operating cashflows	592	-	-	-
Investing	(7,162)	(22,681)	(18,874)	(18,982)
Capex (growth)	(13,927)	(18,850)	(12,608)	(10,739)
ROU	(7,034)	(965)	(969)	(914)
Others	23,401	549	960	396
Financing	(9,063)	8,032	(2,189)	2,589
Dividend payments	(4,014)	-	-	(928)
Proceeds & repay borrowings	28,966	8,032	(2,189)	3,518
Others	(34,015)	-	-	-
Net cash inflow (outflow)	1,276	2,191	(2,094)	(203)
Beginning cash & cash equivalent	1,387	2,666	4,857	2,763
Change due to forex impact	4	-	-	-
Ending cash & cash equivalent	2,666	4,857	2,763	2,560

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	39.8	48.4	50.1	51.6
Pre-tax margin	(12.4)	(2.6)	9.6	10.5
Net margin	(10.4)	(2.1)	7.5	8.2
ROA	(3.8)	(0.8)	3.0	3.5
ROE	(14.8)	(3.4)	11.4	12.0
Growth				
Turnover	23.4	9.4	6.2	5.9
EBITDA	(6.5)	33.1	10.0	9.1
Pre-tax profit	(316.8)	(77.0)	(491.7)	15.9
Net profit	(343.4)	(77.9)	(479.7)	15.9
EPS	(343.4)	(77.9)	(479.7)	15.9
Leverage				
Debt to total capital (x)	0.7	0.7	0.7	0.7
Debt to equity (x)	2.1	2.4	2.1	2.0
Net debt/(cash) to equity (x)	200.5	227.2	200.8	192.0
Interest cover (x)	(0.3)	0.8	2.0	2.1

Technical Analysis

Analyst(s)

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Source: Tradingview

Bank Central Asia
BBCA IJ

Technical BUY with 5% potential return

Resistance:	Rp6,025, Rp6,200
Support:	Rp5,650, Rp5,425
Stop-loss:	Rp5,550

Share price closed with strong gains and formed a long-body bullish candlestick. Price advanced with better momentum and higher trading volume; hence, we see potential for more rallies and challenge the resistance at Rp6,025 and Rp6,200. The RSI is sloping upwards and above its midline, while the MACD is on a bullish crossover. Buy at Rp5,750 and take profit at Rp6,025.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp8,150.



Source: Tradingview

Erajaya Swasembada
ERAA IJ

Technical BUY with 8% potential return

Resistance:	Rp575, Rp605
Support:	Rp510, Rp492
Stop-loss:	Rp500

Share price closed higher and formed a neutral candlestick. Price advanced with better momentum; hence, we see potential for more rallies and challenge the resistance at Rp575 and Rp605. The RSI is sloping upwards and is back above its midline, while the MACD has just issued a bullish signal. Buy at Rp520 and take profit at Rp575.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp800.

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