Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51839.3	(0.6)	(1.3)	0.5	7.9
S&P 500	7443.3	(0.2)	(1.0)	(0.8)	8.7
FTSE 100	10524.8	(0.7)	0.3	1.6	6.0
AS30	8974.7	(0.0)	(0.3)	(0.8)	(0.5)
CSI 300	4598.3	1.5	(2.1)	(6.9)	(0.7)
FSSTI	5499.0	(0.2)	0.5	5.9	18.4
HSCEI	8381.9	3.0	3.9	5.1	(6.0)
HSI	25143.1	2.4	3.8	5.1	(1.9)
JCI	6231.8	0.9	3.2	0.9	(27.9)
KLCI	1722.3	(0.5)	1.4	0.6	2.5
KOSPI	6516.3	(4.5)	(4.3)	(28.0)	54.6
Nikkei 225	64141.1	0.0	(4.6)	(10.0)	27.4
SET	1646.0	0.4	1.1	4.7	30.7
TWSE	42449.7	(0.5)	(6.5)	(8.6)	46.6
BDI	2671.0	(2.9)	(9.8)	(1.9)	42.3
CPO (RM/mt)	4440.0	0.0	(0.6)	(2.2)	12.9
Brent Crude (US$/bbl)	89.2	1.3	7.1	10.7	46.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Post-Results Meeting with ASL Marine Holdings Ltd (ASL SP)	Singapore	21 Jul	21 Jul
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul

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Top Stories

Strategy | Solar Energy Entering Acceleration Phase Page 2

Indonesia's solar sector has entered an acceleration phase, growing at a 55% CAGR since 2020 on utility-scale and rooftop adoption, though it still contributes just 0.5% of the power mix. Government incentives and PLN's 17.1GW RUPTL target underpin the outlook, while a 3.4GW Singapore export initiative adds a new growth vector. Key beneficiaries are ADRO, MEDC, and KEEN, while ARKO and HGII could potentially benefit.

Technical Analysis

Bumi Resources | BUMI IJ Page 5

Trading Buy Range: We have a technical Buy at Rp158, and take profit at Rp170.

Buana Lintas Lautan | BULL IJ Page 5

Trading Buy Range: We have a technical Buy at Rp386, and take profit at Rp420.

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

Solar Energy Entering Acceleration Phase

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Highlights

- Indonesia's solar sector has entered an acceleration phase, growing at a 55% CAGR since 2020 on utility-scale and rooftop adoption, though it still contributes just 0.5% of the power mix.
- Government incentives and PLN's 17.1GW RUPTL target underpin the outlook, while a 3.4GW Singapore export initiative adds a new growth vector
- Direct beneficiaries of government initiatives are ADRO and MEDC.

Analysis

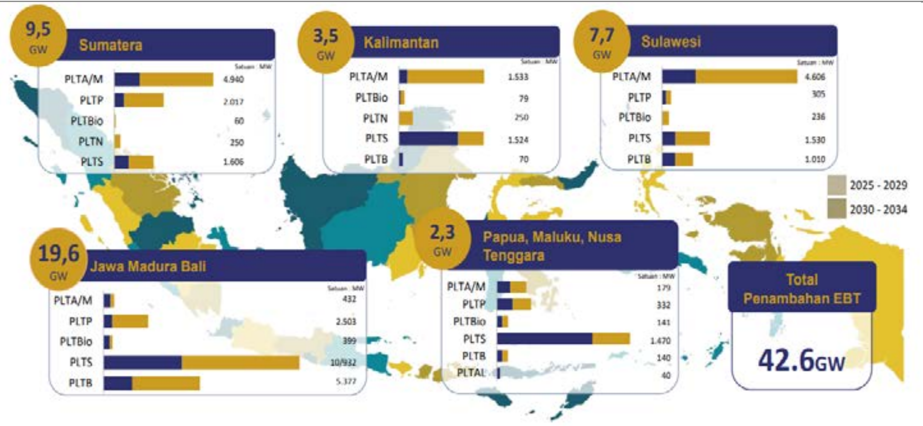
- **55% CAGR growth in solar energy installation.** Indonesia's solar energy sector has entered a clear acceleration phase since 2020, with installed capacity rising from around 166MW in 2020 to approximately 1.5GW in 2025, equivalent to a five-year CAGR of about 55%, driven by utility-scale projects, industrial rooftop adoption, and stronger government support. Growth accelerated sharply from 2023 following the commissioning of the Cirata floating solar project (192 MWp). Despite this rapid expansion, solar remains a minor component of Indonesia's power mix, contributing an estimated 0.5% of total electricity generation in 2025, even though renewable energy accounts for 15.75% of the broader national energy mix. The outlook remains positive, supported by PLN's plan to add around 17.1GW of solar capacity under the 2025-34 RUPTL, although execution will depend on grid readiness, financing availability, regulatory consistency, and domestic-content requirements.
- **Government incentives to support green energy production.** Indonesia offers a broad incentive package to accelerate renewable energy investment, covering fiscal support and operational relief. Qualifying projects may receive a corporate income tax allowance equivalent to 30% of the total investment value, deducted at 5% per year over six years, accelerated depreciation, loss carry-forward of up to 10 years, dividend withholding-tax relief, and tax holidays of up to 100% corporate income tax exemption for 5-20 years. Imported renewable energy equipment not available locally may also receive import-duty and VAT exemptions, while super deductions are available for R&D and training, and special economic zone or free trade zone projects may receive 0% duty and VAT exemptions. For industrial self-consumers, capacity charges and emergency-service fees have been abolished, although installed capacity remains subject to PLN quotas.
- **Solar export to Singapore.** Indonesia and Singapore are advancing a major cross-border green electricity initiative, with Danantara targeting at least 3.4GW of export capacity by 2035 to strengthen regional energy connectivity and support the ASEAN Power Grid. Danantara Investment Management signed MOUs with Keppel Electric and Sembcorp Utilities to explore low-carbon electricity offtake, alongside a separate agreement with Singapore Energy Interconnections to assess the commercial and technical requirements for cross-border transmission infrastructure. The electricity will be supplied from additional generation capacity and will not reduce Indonesia's domestic power supply. Indonesia and Singapore will also develop the required regulatory framework, investment policies, and a cross-border Renewable Energy Certificate system aligned with international standards before commercial electricity flows commence.

- **Major beneficiaries of government green energy initiatives.** ADRO and MEDC are among the Indonesian companies best positioned to participate in the planned green-electricity exports to Singapore, as both have already secured conditional licences from Singapore's Energy Market Authority (EMA) since 2023. Through its subsidiary Adaro Solar International, ADRO has secured an allocation of around 0.4GW of clean electricity export capacity to Singapore, with estimated capex of about US$3.2b covering the solar PV plant and battery energy storage system (BESS). Based on our preliminary estimates, the project could generate a project IRR of 15% and equity IRR of 32%, assuming a US$0.20/kWh export tariff and 70% debt financing at an 8% interest cost. This sits alongside ADRO's broader clean energy build-out via Adaro Clean Energy Indonesia, which includes smaller-scale rooftop (130 KWp) and floating (468 KWp) PV assets.

  MEDC, through the Pacific Medco Solar Energy consortium (in partnership with the Salim Group), has secured conditional approval for up to 600 MW (0.6W) of export capacity, to be supplied from its Bulan Solar PV project that has approximately 2GWp capacity in the Batam area, supported by battery storage and subsea transmission infrastructure to Singapore. That said, both projects have yet to conclude definitive power supply (offtake) agreements with Singapore offtakers, which is the key milestone to lock in export tariffs, and in turn, reach financial close and FID. Hence, our IRR estimates remain indicative for now.

- **KEEN has secured a power purchase agreement with PLN for the 10MW Tobelo solar power project,** supported by an 8MW battery energy storage system. Construction is expected to be completed in 2H27. Once operational, the project is projected to generate around 20,400 MWh of electricity annually. KEEN also intends to build solar power project(s) in areas with coal mines.

Electricity Supply Business Plan (RUPTL) By Area 2025-34

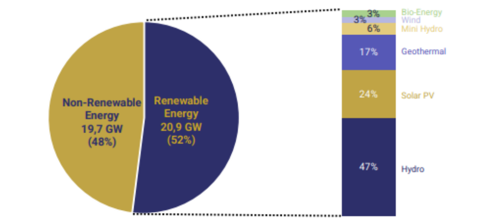


Source: ESDM

Action

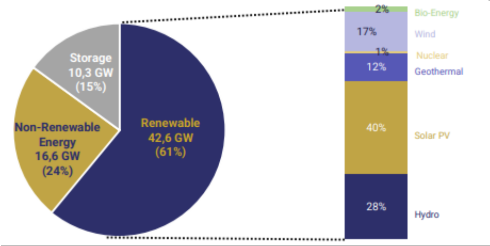
- **ADRO and MEDC as beneficiaries of government green-energy initiatives.** Among Indonesian solar energy producers, we favour ADRO and MEDC as key beneficiaries, as both are the providers for Singapore's green-electricity export programme. Meanwhile, KEEN, while predominantly a hydropower producer, is also building a solar pipeline, having recently won the Tobelo Solar Power Project (10 MW, with an 8.4 MWh battery system), alongside a longer-term Solar PV pipeline target of over 60 MW. Other renewables companies that may benefit include ARKO and HGII, although both remain primarily focused on mini-hydro (and biogas, in HGII's case) rather than solar.

Electricity Supply Business Plan (RUPTL) 2021-30



Source: ESDM

Electricity Supply Business Plan (RUPTL) 2021-30



Source: ESDM

Peer Valuation

								PE			EV/EBITDA					
Company	Ticker	Rec	Price 20-Jul-26 (Rp)	Target Price (Rp)	Potential Upside (%)	Market Cap (US$m)	3M Avg Turnover (US$m)	LTM (x)	2026F (x)	2027F (x)	LTM	2026F (x)	2027F (x)	ROE 2026F (%)	Div. Yield 2026F (%)	Net Gearing (%)
Alamtri Resources Indonesia	ADRO	BUY	2,570	3,400	32.3	4,126	7.6	8.9	7.2	5.5	6.0	3.8	4.4	10.3	6.3	(15.2)
Medco Energi Internasional*	MEDC	N.R	1,270	n.a	n.a	1,780	5.4	12.8	3.7	3.5	4.0	3.2	3.0	7.0	2.8	137.3
Kencana Energi Lestari*	KEEN	N.R	870	n.a	n.a	178	0.5	26.2	n.a	n.a	18.0	n.a	n.a	4.2	n.a	52.2
Arkora Hydro*	ARKO	N.R	4,640	n.a	n.a	757	1.6	226.1	n.a	n.a	603.0	n.a	n.a	12.0	n.a	181.6
Hero Global Investment*	HGII	N.R	122	n.a	n.a	44	0.0	49.5	n.a	n.a	29.0	n.a	n.a	2.1	n.a	(23.6)

**consensus*
Source: Bloomberg, UOB Kay Hian

Source: ChartGenie

Bumi Resources (BUMI IJ)

Technical BUY with 7.5% potential return

Resistance: Rp163, Rp177

Support: Rp145, Rp136

Stop-loss: Rp145

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum; hence, it could trigger more rallies and challenge the resistance levels at Rp163 and Rp177. Technical indicator RSI is sloping upwards and back above its midline, while the MACD remains on a bullish crossover. Buy at Rp158 and take profit at Rp170.

Approximate timeframe: 2-4 weeks.

Source: ChartGenie

Buana Lintas Lautan (BULL IJ)

Technical BUY with 8% potential return

Resistance: Rp402, Rp426

Support: Rp354, Rp342

Stop-loss: Rp362

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum and higher trading volume; hence, we see potential for more bullish pressure to take place and challenge the resistance levels at Rp402 and Rp426. Technical indicator RSI is sloping upwards and back above its midline, while the MACD remains on a bullish crossover. Buy at Rp386 and take profit at Rp420.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp750.

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