Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52218.6	(0.0)	(0.8)	1.0	8.6
S&P 500	7499.0	(0.1)	(1.0)	0.4	9.5
FTSE 100	10717.0	1.2	1.9	2.7	7.9
AS30	9004.9	0.3	(0.3)	(0.3)	(0.2)
CSI 300	4717.2	(0.5)	(1.5)	(6.8)	1.9
FSSTI	5595.4	1.2	0.6	7.5	20.4
HSCEI	8251.1	(1.3)	0.8	4.2	(7.4)
HSI	24892.7	(1.0)	0.9	4.7	(2.9)
JCI	6334.5	(0.1)	4.8	3.6	(26.7)
KLCI	1711.4	(0.5)	(0.1)	0.6	1.9
KOSPI	6797.7	0.7	(6.7)	(25.4)	61.3
Nikkei 225	66115.6	(0.2)	(3.8)	(8.6)	31.3
SET	1639.3	(0.8)	0.6	4.1	30.1
TWSE	44825.8	1.3	(1.8)	(6.1)	54.8
BDI	2715.0	1.7	(7.3)	1.2	44.6
CPO (RM/mt)	4497.0	0.0	(0.0)	(1.7)	14.3
Brent Crude (US$/bbl)	94.1	3.4	10.7	20.8	54.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug

Please click on the page number to move to the relevant pages

Top Stories

Economics | BI Holds Rate At 5.75% Amid Capital Inflows, Signals Resumption Of Tightening Amid Geopolitical Risks Page 2

BI held the BI rate at 5.75% in Jul 26, pausing its tightening cycle amid capital inflows and rupiah strength. It raised KLM to 6.0% of DPK (Rp50t-53t) and increased swap discounts for foreign investors, though banks favour SRBI and SBN over credit. Persistent Middle East conflicts and high oil prices pose risks. We expect BI to raise the rate by 50bp in 2H26 and 25bp in 2027 to 6.50%, flattening the yield curve and creating buying opportunities in short-/medium-tenor bonds.

Small/Mid Cap Highlights | Timah (TINS IJ/**NOT RATED**/Rp3,620) Page 4

TINS targets 2026 tin sales of 20,000-24,000 tonnes, implying 20-44% growth, supported by stronger production and tin prices. Near-term risks include RKAB revision uncertainty and delayed seized-asset injections. While 2Q26 volumes softened due to maintenance, higher tin prices should support earnings. In the longer term, rare earth monetisation and potentially higher tin sales volume offer attractive optionality, with a potential contribution from 2H27.

Technical Analysis

Pertamina Geothermal Energy | PGEO IJ Page 7

Trading Buy Range: We have a technical Buy at Rp1,025, and take profit at Rp1,085.

Elnusa | ELSA IJ Page 7

Trading Buy Range: We have a technical Buy at Rp685, and take profit at Rp725.

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 Holds Rate At 5.75% Amid Capital Inflows, Signals Resumption Of Tightening Amid Geopolitical Risks

Analyst(s)
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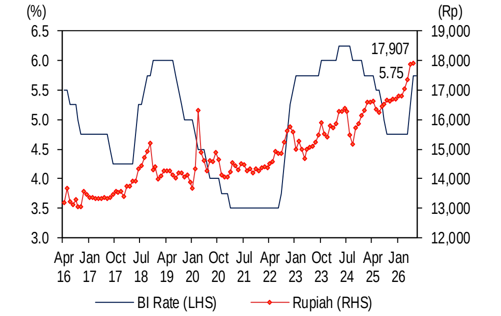
Highlights

- **Rate hold and policy easing measures.** Bank Indonesia (BI) kept the BI rate at 5.75% in Jul 26, supported by improved capital inflows and rupiah appreciation. Alongside this pause, BI introduced additional liquidity-boosting measures, including raising the KLM incentive to 6.0% of DPK (unlocking Rp 50t–53t) and increasing swap discounts for foreign investors, although banks remain reluctant to channel funds into credit amid worsening risk perceptions.
- **Geopolitical and oil price risks increasing.** The outlook is clouded by persistent Middle East conflicts and elevated global energy prices, which could undermine foreign appetite for Indonesian assets, pressure fiscal credibility, and potentially trigger renewed dollar strength - forcing markets to demand higher risk premiums on Indonesian securities.
- **Projected BI tightening amid hawkish Fed**. We expect BI to resume the rate hike in 2H26 with two rounds of 25bp increases, followed by another 25bp in early-27, bringing the terminal rate to 6.50% (the highest since 2016). This will flatten the yield curve, presenting a strategic opportunity for investors to accumulate short-tenor (below five years) and medium-tenor (5–7 years) bonds.

Analysis

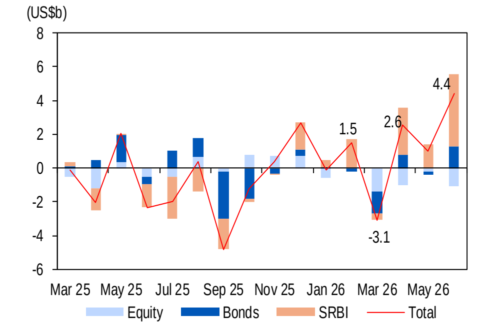
- BI temporarily paused its monetary tightening cycle, maintaining the BI rate at 5.75% during its Board of Governors meeting in Jul 26, in line with our forecast but contrary to market consensus of a 25 bp rate hike to 6.00%. Prior to the July meeting, BI had aggressively hiked its policy rate by a cumulative 100bp, marking a complete reversal from the dovish stance that prevailed in early-26.
- The decision to hold was largely driven by improving capital inflows into Indonesia's capital markets - namely bonds and short-term SRBI instruments. This improvement stems from both global and domestic factors. On the global front, declining US inflation and subdued inflation expectations have slightly dampened market expectations for Fed rate hikes in 3Q26.
- Domestically, the government's decision to further cut the budget for expansionary social expenditures has boosted investor sentiment toward Indonesia's fiscal policy. Additionally, rising bond yields and relatively low valuations of Indonesian stocks have increased the attractiveness of domestic assets for foreign investors. On the risk perception front, S&P's decision to maintain Indonesia's stable outlook and BBB investment-grade rating has led to a slight improvement in risk appetite.
- Consequently, the rupiah has appreciated over the past month, along with other emerging market currencies, aided by a weaker US dollar amid diminishing expectations of Fed hikes in the short term.
- In addition to holding the rate firm, BI also introduced additional policy measures. First, the central bank will raise the swap discount provided to foreign portfolio investors from 10% to 12.5%, alongside a 15% discount on domestic non-deliverable forward hedging. These measures are expected to further accelerate capital inflows into Indonesia's financial markets, particularly if global and domestic sentiment remain positive.
- Second, BI will increase its macroprudential policy incentive (KLM) by raising the maximum total KLM receivable by banks to 6.0% of Third-Party Funds (DPK), up from 5.5%. This is projected to release Rp50t–53t in banking

BI Rate and Indonesia Exchange Rate



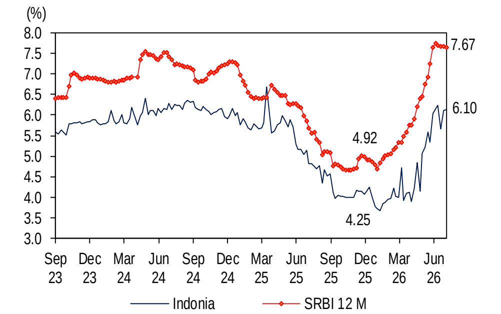
Source: Bloomberg

Capital Flow Into Indonesia Financial Market



Source: Bloomberg

12 Month SRBI Yield And Interbank Rate



Source: Bloomberg

liquidity to support credit disbursement and ease pressures in the banking system.

- However, in our view, liquidity in the economy and banking system remains ample. However, banks are increasingly allocating funds toward short-term SRBI and SBN instruments amid worsening credit perceptions and macro headwinds. As a result, SRBI yields have become the benchmark rate for the economy, with banks preferring SRBI allotments over interbank placements or credit disbursement, particularly as credit yields remain compressed due to intense competition for corporate loans and deteriorating consumer risk profiles.

Outlook

- We view BI's new policy approach - leveraging foreign capital inflows - as a laudable move, as it helps avoid further domestic slowdown while supporting rupiah stability. Nevertheless, this strategy is not without risks, notably the persistently volatile geopolitical landscape, which could significantly impact foreign appetite for Indonesian assets. Further geopolitical deterioration or renewed dollar strength could force another round of market repricing, demanding higher spread premiums to hold Indonesian assets. Surging oil prices driven by geopolitical tensions could also place Indonesia's fiscal policy back under the spotlight and weaken appetite for its fixed-income securities.
- In this context, we maintain our assumption that the current Middle East conflict will persist throughout 3Q26, keeping global energy prices elevated throughout 2026 before moderating in 2027. This backdrop is likely to trigger a mini hiking cycle by the Fed, with markets forecasting a 25bp hike in 2H26 and another 25bp in early-27.
- Consequently, we expect BI to resume its tightening cycle, delivering two rounds of 25bp rate hikes in 2H26 and bringing the BI rate to 6.25% by end-26 to preserve its spread over US policy rates. For 2027, BI is also likely to deliver a further 25bp hike, resulting in a terminal rate of 6.50%, which is the highest since 2016.
- These global and domestic developments reinforce our view that Indonesian bond yields are likely to rise, as widening policy rate spreads push yields across both short- and long-tenor bonds. The yield curve is also expected to flatten further as short-term yields climb in response to BI's hikes, presenting a buying opportunity for investors in short-tenor (below five years) and medium-tenor (5-7 years) bonds.

Timah (TINS IJ)

Positioned For A Breakout Year

Highlights

- TINS targets 2026 tin sales of 20,000-24,000 tonnes, implying 20-44% growth, supported by stronger production and tin prices.
- While 2Q26 volumes softened due to maintenance, higher tin prices should support earnings.
- In the longer term, rare earth monetisation and potential higher tin sales volume offer attractive optionality, with potential contribution from 2H27.

Analysis

- **2026 guidance signals a meaningful production growth.** Management remains constructive on 2026, targeting tin sales of 20,000-24,000 tonnes, with an upside scenario of around 24,000 tonnes. Compared with 2025 sales of 16,634 tonnes, this implies volume growth of 20-44%. The recovery is supported by a strong start to the year, with 1Q26 tin ore production nearly doubling yoy to 6,312 tonnes as permitting issues and ore-supply constraints that weighed on 2025 operations gradually eased. Coupled with a stronger tin price environment, consensus expects 2026 net profit to reach Rp3.7t (+180% yoy).
- **2Q26: Maintenance-led volume softness, but earnings remain supported by stronger tin prices.** Following a 1Q26 production run-rate of around 2,000 tonnes/month, management expects 2Q26 output to decline by 10-20% qoq to 1,700-1,800 tonnes/month, mainly due to a scheduled smelter maintenance in May. Nevertheless, tin prices averaged US$51,800/tonne in 2Q26 (+2.7% qoq), which should help offset lower sales volumes and support another solid quarter of financial performance.
- **RKAB revision is the key near-term uncertainty.** Timah (TINS) is revising its 2026 RKAB (mining work plan and budget), which was initially set at 30,000 tonnes. Management has not disclosed the revised figure, and it could be revised upward or downward. Export activity is delayed to the next quarter until the RKAB is finalised, hence, TINS expects sales momentum to slow again in 3Q26.
- **Rare earth minerals are the next catalyst.** Management indicates that rare earth margins could exceed tin margins if the business can be monetised. R&D progress has been encouraging, TINS has already been able to extract around 90% of usable components, and management estimates that roughly 5% of the tin ore it produces consists of rare earth material. The earliest revenue contribution is expected in 2H27.

Key Financials

Year to 31 Dec (Rpb)	2021	2022	2023	2024	2025
Net turnover	14,607	12,504	8,392	10,856	11,553
EBITDA	3,074	2,140	416	2,713	2,634
Operating Profit	2,239	1,403	(526)	1,810	1,824
Net Profit (rep./act.)	1,303	1,041	(450)	1,249	1,314
EPS (Rp)	1,303	1,041	(450)	1,249	1,314
PE (x)	174.9	139.8	(60.0)	168.0	176.0
P/B (x)	20.7	25.9	(60.3)	21.5	20.6
EV/EBITDA (x)	4.3	3.8	4.3	3.6	3.2
Dividend yield (%)	8.1	11.6	59.7	9.2	9.4
Net margin (%)	1.7	1.2	0.0	1.8	2.4
Net debt/(cash) to equity (%)	8.9	8.3	(5.4)	11.5	11.4
Interest cover (x)	52.7	22.2	31.0	(1.4)	(1.7)
ROE (%)	6.6	7.3	(2.8)	9.4	16.8

Source: TINS, Bloomberg, UOB Kay Hian

NOT RATED	
Share Price	Rp3,620
Target Price	n.a.
Upside	n.a.

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Stock Data

GICS sector	Materials
Bloomberg ticker:	TINS IJ
Shares issued (m):	7,448
Market cap (Rpb):	26,961
Market cap (US$m):	1,508
3-mth avg daily t'over (US$m):	11.4

Price Performance (%)

52 week high/low: Rp4,720/Rp985

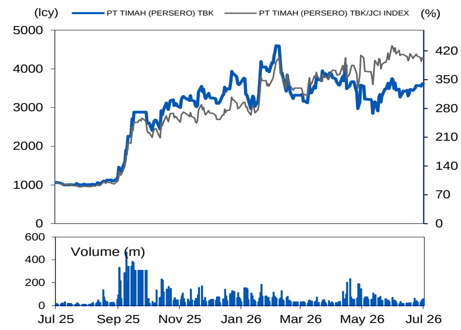
1mth	3mth	6mth	1yr	YTD
3.7	(7.2)	(4.5)	239.9	16.4

Major Shareholders	(%)
Inalum	65.0

Balance Sheet Metrics

FY26 NAV/Share (Rp)	n.a.
FY26 Net Cash/Share (Rp)	n.a.

Price Chart



Source: Bloomberg

Company Description

PT Timah Tbk is an integrated mining state-owned enterprise based in Pangkalpinang, Indonesia, recognized as the world's fifth-largest integrated tin producer. Operating under the MIND ID mining holding, it handles exploration, mining, processing, and marketing of tin and its derivatives.

- **Seized-asset injection remains an overhang.** The transfer of state-seized tin assets into TINS has been delayed as the process enters a second appraisal after the initial valuation expired. While the asset injection (mostly inventory) could strengthen TINS' resource base, the structure remains uncertain, with either a rights issue or an *inbreng* (asset-for-shares) scheme still under consideration. Given the potentially large equity issuance required, investors should pay close attention to the final valuation and transaction structure, as the deal could result in meaningful shareholder dilution.

Valuation/Recommendation

- TINS remain attractively valued at 3.7x 2026F EV/EBITDA, only slightly above its -1SD to three-year mean. In addition, the stock trades at an 83% discount to global tin and rare earth peers.

Peer Comparison

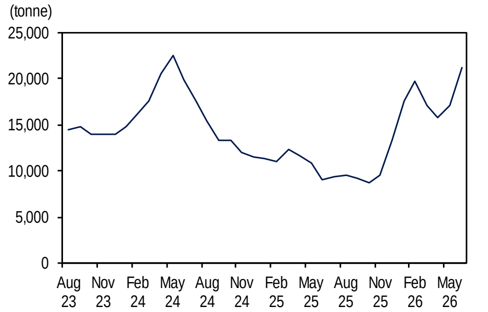
		Market	3M Avg	------ PE -----		--- EV/EBITDA ---		ROE	---- Div. Yield ----		Net
		Cap	Turnover	2026F	2027F	2026F	2027F	2026F	2026F	2027F	Gearing
Company	Ticker	(US$m)	(US$m)	(x)	(x)	(x)	(x)	(%)	(%)	(x)	(%)
Pt Timah (Persero) Tbk	TINS IJ	1,507	11.2	7.2	6.2	3.7	3.3	30.7	2.4	9.2	(1.7)
Mp Materials Corp	MP US	8,242	351.9	350.8	47.7	51.3	21.2	(4.8)	-	-	(34.3)
China Northern Rare Earth -A	600111 CH	20,878	873.2	34.5	27.6	21.7	17.9	11.3	0.6	0.7	13.4
Lynas Rare Earths Ltd	LYC AU	10,833	60.6	54.2	23.8	32.2	14.6	2.9	-	0.7	1.5
Yunnan Tin Co Ltd-A	000960 CH	7,749	526.0	15.8	14.2	11.0	9.8	11.5	1.9	2.1	40.7
Median				34.5	23.8	21.7	14.6	11.3	0.6	0.7	1.5

Source: Bloomberg

Tin Price (US$/tonne)

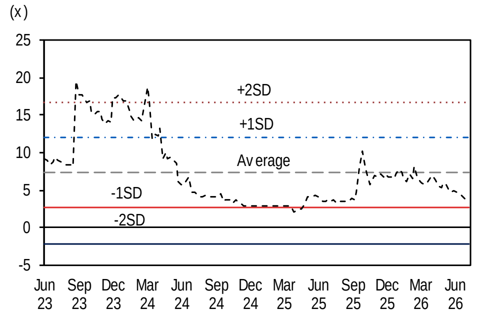
Source: Bloomberg

Tin Inventory



Source: Bloomberg

TINS EV/ EBITDA



Source: Bloomberg

Profit & Loss

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Net turnover	12,504	8,392	10,856	11,553
EBITDA	2,140	416	2,713	2,634
Deprec. & amort.	736	942	903	810
EBIT	1,403	(526)	1,810	1,824
Total other non-operating income	4	79	(153)	(70)
Net interest income/(expense)	0	0	0	0
Pre-tax profit	1,407	(447)	1,657	1,754
Tax	(365)	(3)	(408)	(440)
Minorities	(0)	(0)	(0)	(0)
Net profit	1,041	(450)	1,249	1,314
Net profit (adj.)	1,041	(450)	1,249	1,314

Balance Sheet

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Fixed assets	5,466	5,224	4,564	4,048
Other LT assets	1,966	2,218	2,335	2,813
Cash/ST investment	1,209	1,527	1,988	1,712
Other current assets	4,426	3,864	3,893	5,071
Total assets	13,067	12,831	12,780	13,643
ST debt	530	2,218	650	767
Other current liabilities	2,017	1,644	1,868	2,059
LT debt	2,245	1,269	1,233	805
Other LT liabilities	1,233	1,380	1,443	1,604
Shareholders' equity	7,042	6,320	7,587	8,408
Minority interest	0	0	0	0
Total liabilities & equity	13,067	12,831	12,780	13,643

Cash Flow

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Operating	2,957	682	2,495	966
Pre-tax profit	1,407	(447)	1,657	1,754
Tax	(365)	(3)	(408)	(440)
Deprec. & amort.	736	942	903	810
Working capital changes	951	644	(373)	(874)
Non-cash items	228	(454)	715	(282)
Investing	(823)	(651)	(454)	(306)
Capex (growth)	(855)	(684)	(313)	(306)
Investments	35	9	(70)	0
Others	(2)	24	(72)	0
Financing	(2,707)	287	(1,580)	(938)
Dividend payments	(456)	(312)	0	(475)
Issue of shares	0	0	0	0
Proceeds from borrowings	4,425	5,319	4,059	3,085
Loan repayment	(5,874)	(4,611)	(5,691)	(3,457)
Others/interest paid	(803)	(109)	53	(90)
Net cash inflow (outflow)	(573)	317	461	(277)
Beginning cash & cash equivalent	1,782	1,209	1,527	1,988
Ending cash & cash equivalent	1,209	1,527	1,988	1,712

Key Metrics

Year to 31 Dec (%)	2022	2023	2024	2025
Profitability				
EBITDA margin	17.1	5.0	25.0	22.8
Pre-tax margin	11.2	(5.3)	15.3	15.2
Net margin	8.3	(5.4)	11.5	11.4
ROA	7.5	(3.5)	9.8	9.9
ROE	15.6	(6.7)	18.0	16.4
Growth				
Turnover	(14.4)	(32.9)	29.4	6.4
EBITDA	(30.4)	(80.6)	552.1	(2.9)
Pre-tax profit	(18.6)	(131.8)	(471.0)	5.8
Net profit	(20.1)	(143.2)	(377.8)	5.1
Net profit (adj.)	(20.1)	(143.2)	(377.8)	5.1
EPS	(20.1)	(143.2)	(377.8)	4.8
Leverage				
Debt to total capital	28.3	35.6	19.9	15.7
Debt to equity	39.4	55.2	24.8	18.7
Net debt/(cash) to equity	10.8	31.4	(1.4)	1.6
Interest cover (x)	6.9	(2.6)	8.8	9.1

Source: ChartGenie

Pertamina Geothermal Energy (PGEO IJ)

Technical BUY with 6% potential return

Resistance: Rp1,050, Rp1,085

Support: Rp990, Rp970

Stop-loss: Rp965

Share price closed higher and formed a neutral candlestick. Price advanced with higher trading volume; hence, we see potential for more rallies and challenge the resistance levels at Rp1,050 and Rp1,085. Technical indicator RSI is sloping upwards and approaching its overbought zone, while the MACD remains on a bullish crossover. Buy at Rp1,025 and take profit at Rp1,085.

Approximate timeframe: 2-4 weeks.

Source: ChartGenie

Elnusa (ELSA IJ)

Technical BUY with 6% potential return

Resistance: Rp715, Rp725

Support: Rp670, Rp635

Stop-loss: Rp630

Share price closed higher and formed a bullish candlestick. Price broke above its Rp670 resistance level; hence, it could trigger more bullish pressure and challenge the resistance levels at Rp715 and Rp725. Technical indicator RSI is sloping upwards and approaching its overbought zone, while the MACD remains on a bullish crossover. Buy at Rp685 and take profit at Rp725.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp1,450.

ANALYST(S)

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