KayHian Sekuritas

Country Daily | Indonesia

Wednesday, 2 September 2026

Key Indices

	Prev Close	1D %	1W %	1M%	YTD %
DJIA	52766.9	(0.8)	(1.5)	0.5	9.8
S&P 500	7631.5	(0.7)	(0.6)	1.9	11.5
FTSE 100	10789.3	(0.3)	(0.6)	(0.7)	8.6
AS30	9260.9	(0.1)	(1.2)	1.4	2.7
CSI 300	4611.4	(0.3)	1.3	0.5	(0.4)
FSSTI	5710.4	(0.8)	(0.4)	1.5	22.9
HSCEI	8462.6	(0.6)	0.2	(1.7)	(5.1)
HSI	25329.7	(0.9)	(0.7)	(2.1)	(1.2)
JCI	6599.9	1.1	1.5	5.8	(23.7)
KLCI	1700.5	(1.5)	(2.1)	(1.4)	1.2
KOSPI	6835.8	0.2	1.4	3.6	62.2
Nikkei 225	66215.3	(0.1)	0.5	2.9	31.5
SET	1588.7	(0.4)	(0.5)	(2.2)	26.1
TWSE	46948.7	1.8	3.9	8.9	62.1
BDI	3157	(0.9)	9.5	15.6	68.2
CPO (RM/mt)	4613	0.4	(0.6)	1.8	17.3
Brent Crude (US$/bbl)	95	4.6	6.9	5.0	55.5

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep

Top Stories

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- Indonesia's trade surplus recovered to US$0.12b in Jul 26, reversing June's deficit as monthly exports outpaced imports. However, this masks a structural downtrend that started in 3Q25, driven by surging imports. Export growth remained moderate due to weak global demand, while commodity price hikes lagged rising oil costs, worsening the trade balance. The widening deficit pressures the rupiah, while a hawkish Fed could force Bank Indonesia to raise SRBI issuance and increase policy rates.

Small/Mid Cap Highlights | Dharma Satya Nusantara (DSNG IJ/**NOT RATED**/Rp1,710) Page 4 →

- DSNG operates one of the most productive estate bases among listed Indonesian planters and remains constructive on 2H26, supported by firm production and favourable CPO price trends. Consensus projects full-year profit growth of 27% (+9.4% in 1H26). GAPKI expects El Niño to cut industry production by 8-10% in 2027, though the company expects firm CPO prices to cushion the impact. It trades at just 8x 2026F consensus PE (vs regional average of ~15x) and Rp184m/ha (US$10,400/ha).

Technical Analysis

Bumi Resources | BUMI IJ Page 7 →

- Trading Buy Range: We have a technical Buy at Rp204, and take profit at Rp216.

Petrindo Jaya Kreasi | CUAN IJ Page 7 →

- Trading Buy Range: We have a technical Buy at Rp900, and take profit at Rp965.

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.

KayHian Sekuritas

Economics | Indonesia

Wednesday, 02 September 2026

Economics

Indonesia's Trade Balance Rebounds in July, But Structural Pressures Persist

Highlights

- **Monthly trade balance rebound masks worsening long-term trend.** While Jul 26 posted a modest trade surplus (US$0.12b) after Jun 26's deficit, the trade balance has been on a clear downward trajectory since 3Q25. The underlying driver is surging imports (+27% yoy) across capital goods, oil & gas, and intermediate goods, reflecting strong domestic demand, higher oil prices and expansionary fiscal policy.
- **Export growth moderates as global demand falter.** Exports grew only 6.05% yoy, supported by coal and manufactured goods to ASEAN and China. However, staple commodities (CPO, nickel, coal) are under pressure from weakening Chinese and global demand. Critically, while commodity export prices have risen, their increase remains short of the surge in oil prices, weighing on the overall trade balance.
- **Rupiah faces headwinds from widening deficit and hawkish Fed risks.** The deepening current account deficit, exacerbated by oil prices staying above commodity export prices, will pressure the rupiah despite seasonal support. While capital inflows currently stabilise the currency, hawkish Fed signals could force Bank Indonesia (BI) to hike SRBI issuance and increase the BI Rate.

Analysis

- Indonesia's trade balance recorded a surplus of US$0.12b in Jul 26, reversing the previous month's deficit of US$0.45b. This outcome is in line with both market expectations and our own forecast. The improvement was driven by export growth (+2.98% mom) outpacing import growth (+0.72% mom).
- The higher export growth was driven by non-oil exports, particularly iron and steel, electrical equipment, chemicals, and other manufactured goods shipped to ASEAN countries and Europe. Meanwhile, Indonesia's staple exports - CPO, nickel, and coal - experienced slight declines due to falling commodity prices and weak demand from China.
- The stagnation in imports reflects relatively stable domestic conditions, coupled with a slight slowdown in fiscal policy and lower global oil prices on a monthly basis. By component, imports of capital goods contracted, while imports of consumption and intermediary goods expanded slightly, supported by still-expansionary manufacturing activities.
- Despite the slight monthly improvement, the trade balance remains on a long-term downward trend that has been in place since 3Q25. This structural weakening is driven by rapid import growth (+27.02% yoy), fuelled by robust domestic demand, expansionary fiscal policy, and higher import prices, as evidenced by the steep increases across capital goods imports (+17.38% yoy), oil and gas imports (+49.91% yoy), and intermediate goods (+32.33% yoy).
- Meanwhile, exports recorded only moderate positive growth (+6.05% yoy). Export growth was buoyed by higher coal exports yoy, in addition to increased exports of manufactured goods to ASEAN countries and China. The relatively low annual export growth is partly attributable to a high-base effect, as exports in Jul 25 stood at a relatively high US$24.7b.

Outlook

- The slight improvement in Indonesia's trade balance in Jul 26 signals a relative stabilisation in the global environment, with the slight decline in oil prices followed by lower commodity prices due to slowing global growth

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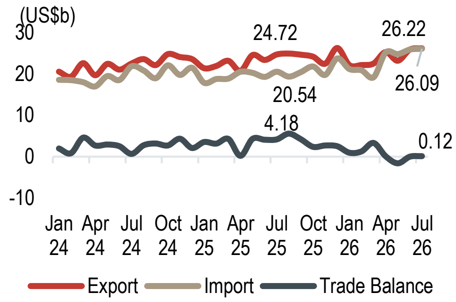
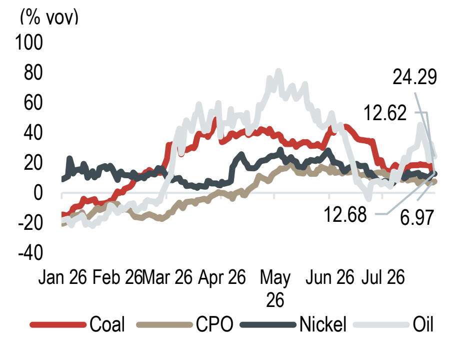
Indonesia Trade Balance



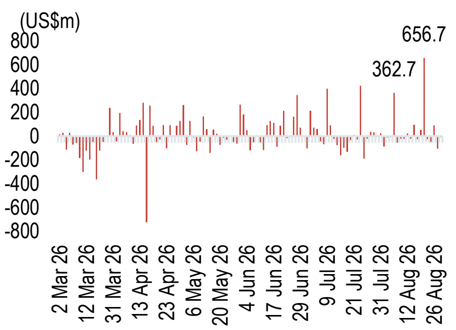
Source: BPS

Change of Indonesia Commodity Prices



Source: Bloomberg, UOB Kay Hian

Foreign Inflow Into Indonesia Bond Market



Source: Bloomberg

prospects, which counterweigh further supply constraints. The ongoing US-Iran conflict in the Strait of Hormuz appears to be heading towards a limbo standoff scenario, where both sides maintain the blockade to preserve their respective bargaining power.

- Stabilising oil prices, which remain relatively higher than export commodity prices, have contributed to a worsening of Indonesia's overall trade balance and a deeper current account deficit for 2026. This is likely to weigh on the rupiah in the final months of the year, partly counteracting its seasonal strengthening trend. Consequently, the rupiah is expected to remain stable between Rp17,800-18,000 per US dollar.
- On the financial account side, the rupiah's stability is supported by increasing capital inflows into bonds and SRBI instruments, driven by relatively improving risk perception and a weaker US Dollar Index. However, this support is increasingly threatened by a hawkish rhetoric from the Federal Reserve. Should the Fed adopt a more aggressive stance, BI may respond by raising SRBI yields or increasing SRBI auctions. We believe that a 25bps Fed rate hike would be followed by two 25bps rate hikes from BI, delivering an increasingly hawkish BI monetary policy.

Dharma Satya Nusantara (DSNG IJ)

High-yielding Assets At An Attractive Valuation

Highlights

- DSNG operates one of the most productive estate bases among listed Indonesian planters. It remains constructive on the 2H26 outlook, supported by firm production and favourable CPO price trends. Consensus expects full year profit growth of 27% (+9.4% in 1H26).
- GAPKI expects El Niño to cut industry production by 8-10% in 2027, though the company expects firm CPO prices to cushion the impact.
- It currently trades at just 8x 2026 PE, based on consensus (vs regional avg of 15x) and Rp184m/ha (US$10,400/ha).

Analysis

- **Dharma Satya Nusantara (DSNG) operates one of the most productive estate bases** among listed Indonesian planters, delivering a 23.5% OER in 1H26 and 21.4t/ha FFB yield in 2025, underpinned by a relatively young average tree age of around 15 years. As of 1H26, 95% of its 111,900ha planted area was mature, with >60,000ha concentrated in a single contiguous block in East Kalimantan, supporting operating efficiency. DSNG also has an integrated milling network of 12 mills with 675 tonnes FFB/hour capacity, alongside a 400tonnes/day kernel crushing plant, with 10 mills RSPO-certified and 11 ISPO-certified. The company remains family-controlled, with the TP Rachmat and Oetomo families holding 30.7% and 29.2%, respectively. Palm oil accounted for 90% of 1H26 revenue, with wood products and renewable energy contributing 8% and 2%, respectively.
- **Production and prices both supportive into year-end.** DSNG expects 2H26 production to grow around 3% yoy, supported by firm demand following the B50 implementation and resilient CPO prices. DSNG's CPO and PKO ASPs were already up 3% yoy and 9% yoy, respectively, in 1H26, while management expects prices to remain supportive. CPO has continued to trend up, with Nov 26 futures at RM4,973/tonne (~15% above the 1H26 average). Consensus expects profit growth of 27% yoy (1H26 profit up 9.4% yoy). On the cost side, fertiliser accounts for around 25% of total costs, with prices expected to rise around 15% in the next fertilisation cycle, likely putting upward pressure on costs from 4Q26-1Q27.
- **Then how about El Niño risks next year?** The super El Niño is expected to occur in 4Q26-1H27, with BMKG forecasting Java, West Kalimantan and South Kalimantan to experience the most severe drought conditions. While DSNG is not immune to the impact, its estates are mainly located in East Kalimantan, where the company expects the impact to be milder. GAPKI forecasts industry production to decline 8-10% (4m-5m tonnes) in 2027.

Key Financials

Year to 31 Dec (Rpb)	2021	2022	2023	2024	2025
Net turnover	7,124	9,634	9,499	10,119	12,315
EBITDA	2,023	2,904	1,583	3,060	3,834
Operating profit	1,393	2,154	1,556	2,124	2,829
Net profit (rep./act.)	727	1,207	840	1,142	1,840
EPS (Rp)	68.6	113.9	79.2	107.8	173.6
PE (x)	24.9	15.0	21.6	15.9	9.8
P/B (x)	2.6	2.3	2.1	1.9	1.6
EV/EBITDA (x)	10.4	7.2	13.3	6.9	5.5
Dividend yield (%)	1.2	1.8	1.3	1.4	2.7
Net margin (%)	10.2	12.5	8.8	11.3	14.9
Net debt/(cash) to equity (%)	69.6	62.3	58.4	52.3	30.2
Interest cover (x)	3.4	5.0	3.3	4.2	6.7
ROE (%)	11.2	16.2	10.0	12.4	17.4

Source: DSNG, Bloomberg, UOB Kay Hian

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NOT RATED

Share Price	Rp1,710
Target Price	n.a.
Upside	n.a.

Stock Data

Sector	Consumer Staples
Bloomberg ticker	DSNG IJ
Shares issued (m)	10,600
Market cap (Rpb)	18,126
Market cap (US$m)	1,022
3-mth avg daily t'over (US$m)	0.4

Price Performance (%)

52-week high/low: Rp2,050/Rp1,045

1mth	3mth	6mth	1yr	YTD
28.1	43.7	23.9	5.2	11.0

Major Shareholders (%)

Triputra Investindo Arya	28.63
Krishna Kapital Investama	14.63
Tri Nur Cakrawala	7.44
Arianto Oetomo	5.43
Andrianto Oetomo	5.43

Balance Sheet Metrics

FY26 NAV/Share	n.a.
FY26 Net Debt/Share	n.a.

Price Chart

Source: Bloomberg

Company Description

PT Dharma Satya Nusantara TBK is a palm oil and wood processing company. The Company is currently concentrating on three types of integrated businesses: wood products, timber estates and plantations.

The company noted that the 2019 El Niño reduced production by around 11%, but higher CPO prices more than offset the volume loss. CPO prices have already rallied 15.8% ytd to RM4,628/tonne. A continued rally could provide a similar cushion if production comes under pressure next year.

- **Replanting and better seeds to drive structural yield growth.** With an average estate age of ~15 years, DSNG started its replanting cycle in 2022 and is currently replanting ~2,500ha/year at Rp90m–100m/ha, (50-55% of its current EV/ha of ~Rp180m), with costs to maturity spread over three years. More importantly, DSNG is increasingly using higher-yielding planting seeds from its 10%-owned Verdant Bioscience, with around 40% of new plantings already using the improved material. Management expects the seeds to deliver 18-24tonnes FFB/ha by year three, (vs 8-10 years for conventional materials to reach comparable yields). The seeds also offer greater tolerance to Ganoderma, supporting structural yield improvement as the replanting cycle progresses.
- **Bio-CNG lower internal energy costs.** DSNG operates two Bio-CNG plants converting palm oil mill effluent into compressed biomethane, with combined capacity of around 3MW. These displaced 3.8m litres of diesel in 2025, saving around Rp53b, (10-15% of internal energy requirements), with a further rollout planned.
- **Balance sheet deleveraging opens room for a higher payout.** The company has been on a deleveraging cycle since 2020, with net debt to equity down from 1.6x in 2019 to 0.2x as of 1H26. 1H26 net profit rose 9.4% yoy to Rp1,001b, and consensus is expecting a full-year net profit of Rp2,334b (+28% yoy). Historically, the DPR has ranged between 22% and 27%, leaving further room for an increase as leverage falls and capex stays confined to replanting.

Valuation

- **Attractive valuation.** With a mature average age of 15 years, the second-highest FFB yield in the sector at 21.4 tonnes/ha and a high OER of 23.3%, DSNG currently trades at an undemanding 8x PE (vs regional average of 15x) and a 17.2% ROE. On an asset basis it is valued at US$10.4k per hectare, or Rp184m/ha, a 35% discount to TAPG, which we attribute in part to TAPG's higher dividend yield, and a far wider discount to NSSS of Rp714m/ha.

Valuation

Ticker	Price 01-Sep-26 (Rp)	Market Cap (US$m)	3M Avg Turnover (US$m)	PE 2026F (x)	PBV 2026F (x)	ROE 2026F (%)	Div. Yield 2026F (%)	Net Gearing (%)
DSNG	1,710	1,022	0.4	8.0	1.3	17.2	2.7	30.2
TAPG	2,330	2,609	1.6	10.9	3.9	35.2	7.4	(8.8)
NSSS	850	1,141	0.5	20.8	6.5	38.5	n.a.	51.7
AALI	8,400	912	0.7	9.3	0.7	6.8	4.0	(11.4)
SSMS	930	500	0.6	n.a.	n.a.	n.a.	4.6	256.6
BWPT	109	194	1.0	n.a.	n.a.	n.a.	n.a.	154.2

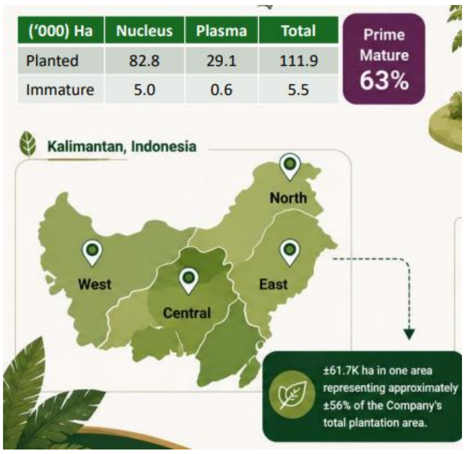
Company	Avg age	FFB Yield (t/ha)	OER(%)	KER(%)	EV/ha (Rp mn)
TAPG	13.8	24.4	23.3	4.9	286
DSNG	15.0	21.4	23.3	4.4	184
CSRA	11.7	20.1	20.7	4.7	101
NSSS	11.5	20.0	22.2	4.8	714
SSMS	14.0	17.6	22.1	4.4	170
PSGO	11.0	17.3	18.2	2.8	114
AALI	16.7	14.6	19.2	4.0	39
LSIP	19.0	13.4	21.9	6.1	17
BWPT	18.0	12.5	23.3	4.5	78

Source: Bloomberg, UOB Kay Hian, Respective companies

Risk/Catalyst

- **Risk:** CPO price volatility, cost inflation from fertiliser and energy, El Nino production disruption.

Plantation area



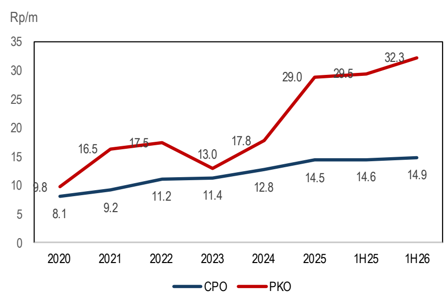
Source: DSNG, UOB Kay Hian

Operational data

	1H-2026	1H-2025	%YoY
Plantation Performance			
FFB Production (tons)	1,035,640	1,087,390	(4.8)
Nucleus (tons)	810,430	858,920	(5.6)
Plasma (tons)	225,209	228,470	(1.4)
Mill Performance			
FFB Processed (tons)	1,272,831	1,332,814	(4.5)
CPO Production (tons)	299,294	310,992	(3.8)
PK Production (tons)	56,593	59,261	(4.5)
PKO Production (tons)	18,429	18,780	(1.9)
CPO OER (%)	23.51	23.33	0.8
FFA (%)	2.98	3.05	(2.2)
Sales Performance			
CPO (tons)	318,987	312,220	2.2
PK (tons)	14,098	13,867	1.7
PKO (tons)	16,504	18,512	(10.8)
CPO ASP (Rp 'million/ton)	14.94	14.57	2.5
PKO ASP (Rp 'million/ton)	32.28	29.51	9.4

Source: DSNG, UOB Kay Hian

CPO and PKO ASP



Source: DSNG, UOB Kay Hian

Profit & loss

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Net turnover	**9,634**	**9,499**	**10,119**	**12,315**
EBITDA	2,904	1,583	3,060	3,834
Deprec. & amort.	750	27	937	1,005
EBIT	2,154	1,556	2,124	2,829
Total other non-op. income	(125)	34	(5)	82
Associate contributions	1	2	3	4
Net interest income/(expense)	(419)	(449)	(478)	(412)
Pre-tax profit	**1,610**	**1,141**	**1,640**	**2,500**
Tax	(404)	(299)	(499)	(671)
Minorities	0	(2)	1	12
Net profit	**1,207**	**840**	**1,142**	**1,840**
Net profit (adj.)	1,207	840	1,142	1,840

Balance Sheet

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Fixed assets	10,742	11,675	12,065	12,007
Other LT assets	1,386	1,554	2,450	2,488
Cash/ST investment	359	390	557	593
Other current assets	2,870	2,560	2,340	2,530
Total assets	**15,357**	**16,178**	**17,412**	**17,617**
ST debt	1,738	1,751	1,273	923
Other current liabilities	1,284	1,195	1,258	1,385
LT debt	3,709	3,826	4,460	3,182
Other LT liabilities	466	517	524	484
Shareholders' equity	8,034	8,716	9,723	11,481
Minority interest	126	174	174	162
Total liabilities & equity	**15,357**	**16,178**	**17,412**	**17,617**

Cash Flow

Year to 31 Dec (Rpb)	2022	2023	2024	2025
Operating	**1,557**	**1,874**	**2,143**	**2,752**
Pre-tax profit	1,610	1,141	1,640	2,500
Tax	(404)	(299)	(499)	(671)
Deprec. & amort.	750	27	937	1,005
Working capital changes	(501)	299	(68)	(217)
Non(cash items	102	706	132	135
Investing	**(1,316)**	**(1,674)**	**(1,849)**	**(650)**
Capex (growth)	(2,071)	(2,266)	(2,064)	(1,800)
Investments	780	728	833	1,021
Others	(25)	(137)	(617)	129
Financing	**(350)**	**(212)**	**(173)**	**(1,930)**
Dividend payments	(212)	(318)	(233)	(254)
Issue of shares	0	0	0	0
Proceeds from borrowings	174	945	1,460	23
Loan repayment	(637)	(1,085)	(883)	(1,243)
Others/interest paid	325	246	(517)	(455)
Net cash inflow (outflow)	**(109)**	**(12)**	**121**	**172**
Others	46	43	46	(137)
Beginning cash & cash equivalent	**422**	**359**	**390**	**557**
Ending cash & cash equivalent	**359**	**390**	**557**	**593**

Key Metric

Year to 31 Dec (%)	2022	2023	2024	2025
Profitability				
EBITDA margin	30.1	16.7	30.2	31.1
Pre-tax margin	16.7	12.0	16.2	20.3
Net margin	12.5	8.8	11.3	14.9
ROA	8.3	5.3	6.8	10.5
ROE	16.2	10.0	12.4	17.4
Growth (% yoy)				
Turnover	35.2	(1.4)	6.5	21.7
EBITDA	43.5	(45.5)	93.3	25.3
Pre-tax profit	66.7	(29.2)	43.8	52.4
Net profit	66.0	(30.4)	36.0	61.1
Net profit (adj.)	66.0	(30.4)	36.0	61.1
EPS	66.0	(30.4)	36.0	61.1
Leverage				
Debt to total capital	40.0	38.6	36.7	26.1
Debt to equity	66.7	62.7	57.9	35.3
Net debt/(cash) to equity	62.3	58.4	52.3	30.2
Interest cover (x)	5.0	3.3	4.2	6.7

Technical Analysis

Analyst(s)

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Source: Tradingview

Bumi Resources
BUMI IJ

Technical BUY with 6% potential return

Resistance:	Rp216, Rp232
Support:	Rp198, Rp188
Stop-loss:	Rp197

Share price closed higher and formed a bullish candlestick. Price broke above its Rp202 resistance level; hence, it could trigger more rallies and challenge the resistance at Rp216 and Rp232. Technical indicator RSI is sloping upwards and approaching its overbought zone, while the MACD has just formed a bullish signal. Buy at Rp204 and take profit at Rp216.

Approximate timeframe: 2-4 weeks.

Source: Tradingview

Petrindo Jaya Kreasi
CUAN IJ

Technical BUY with 7% potential return

Resistance:	Rp920, Rp965
Support:	Rp825, Rp755
Stop-loss:	Rp810

Share price closed higher and formed a bullish candlestick. Price advanced with higher trading volume; hence, we see potential for more rallies ahead and challenge the resistance at Rp920 and Rp965. Technical indicator RSI is sloping upwards and above its midline, while the MACD remains on a bullish crossover. Buy at Rp900 and take profit at Rp965.

Approximate timeframe: 2-4 weeks.