KayHian Sekuritas

Country Daily | Indonesia

Tuesday, 8 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53,414.3	(0.5)	(0.3)	(1.2)	11.1
S&P 500	7,718.6	(0.4)	0.1	(0.5)	12.8
FTSE 100	10,822.1	(0.1)	(0.0)	(0.7)	9.0
AS30	9,200.6	0.1	(0.8)	(2.6)	2.0
CSI 300	4,575.0	0.6	(1.1)	(2.5)	(1.2)
FSSTI	5,792.3	(0.2)	0.6	1.6	24.7
HSCEI	8,429.7	(1.5)	(1.0)	(1.2)	(5.4)
HSI	25,413.1	(0.9)	(0.6)	(1.0)	(0.8)
JCI	6,619.7	(0.3)	1.4	3.3	(23.4)
KLCI	1,714.8	0.4	(0.6)	(1.2)	2.1
KOSPI	6,995.4	4.6	2.6	11.8	66.0
Nikkei 225	66,399.8	2.1	0.1	1.2	31.9
SET	1,618.8	1.5	1.5	0.4	28.5
TWSE	47,326.3	1.7	2.6	7.0	63.4
BDI	3,628.0	4.0	13.9	17.4	93.3
CPO (RM/mt)	4,580.0	(1.8)	(0.6)	1.4	16.5
Brent Crude (US$/bbl)	97.0	0.7	7.2	16.1	59.4

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

Economics | Indonesia's Reserves Rise, But Rupiah Faces Renewed Pressure Amid Global Uncertainty

Page 2 →

- Indonesia's forex reserves rose to US$146.5b in August, supported by capital inflows and minimal forex intervention due to a rupiah appreciation. However, strong US jobs data reignited Fed rate hike expectations, reversing the rupiah's gains and pushing bond yields higher. The rupiah is expected to face renewed depreciation pressure in September-October, potentially reaching Rp18,000-18,200 by year-end. A wildcard remains: Emerging market capital flows are unexpectedly counteracting higher US yields, and this trend warrants close monitoring.

Strategy | Digital Banks: Beyond Growth, Different Paths To ROE

Page 4 →

- Indonesia's digital bank competition is shifting from customer acquisition towards profitable balance sheet control. SeaBank demonstrates how an integrated ecosystem can combine scale with strong returns. We believe the investment opportunity extends beyond current earnings: SUPA offers the clearest listed organic growth story. ARTO has built customers and deposits, with a reported but unconfirmed shareholder review involving BFIN offering origination optionality. BBYB combines an operating turnaround with speculative ownership consolidation potential.

Technical Analysis

Bumi Resources | BUMI IJ

Page 7 →

- Trading Buy Range: We have a technical Buy at Rp220, and take profit at Rp238.

Indah Kiat Pulp & Paper | INKP IJ

Page 7 →

- Trading Buy Range: We have a technical Buy at Rp9,075, and take profit at Rp9,525.

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

Indonesia's Reserves Rise, But Rupiah Faces Renewed Pressure Amid Global Uncertainty

Analyst(s)

Suryaputra Wijaksana
suryaputrawijaksana@kh.co.id
+6221 2993 3888

Highlights

- **Reserves continue upward trend.** Indonesia's foreign exchange reserves increased to US$146.5b in Aug 26, driven by capital inflows into bonds, equities, and SRBI, as well as foreign currency-denominated debt issuance. The buildup was supported by reduced intervention needs as the rupiah appreciated 1.58% mom in line with other emerging-market currencies.
- **Rupiah reverses gains on strong US jobs data.** Despite the positive reserves news, robust US non-farm payrolls (162,000 vs 55,000 expected) raised the likelihood of a Fed rate hike in September, causing the rupiah to reverse its earlier appreciation and Indonesian bond yields to rise. Ytd, the rupiah remains one of the worst-performing EM currencies, down 5.81%.
- Outlook remains cautious with wildcards. The rupiah is expected to face renewed depreciation pressure in September-October due to seasonal patterns, rising oil prices, and the US-Iran conflict. A potential Fed rate hike (25 bps to 4.00%) could trigger BI intervention via SRBI issuance and a further rate hike, pushing the rupiah to Rp18,000-18,200 by year-end. However, a wildcard remains: Global capital flows into emerging markets are unexpectedly counteracting higher US yields, and it is uncertain whether this trend will persist.

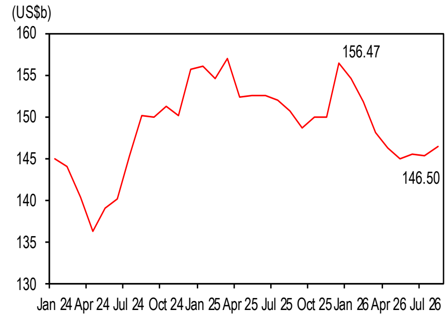
Analysis

- Indonesia's foreign exchange reserves edged up to US$146.5b in Aug 26, from US$145.3b in Jul 26, continuing an upward trend since the May low of US$144.9b. The modest increase was primarily driven by capital inflows into the bond, equity, and SRBI markets, alongside the issuance of foreign currency-denominated debt.
- The reserve buildup was further supported by a reduced need for central bank intervention, as the rupiah appreciated 1.58% during the month. This gain mirrored the performance of other emerging-market currencies, such as the Malaysian ringgit and Mexican peso, and was largely attributed to global factors – specifically a weaker US dollar index amid a deepening US bond market crisis. On a ytd basis, however, the rupiah has depreciated 5.81%, placing it among the worst performing emerging market currencies.
- Despite the mildly positive reserves announcement, market sentiment was quickly overshadowed by robust US jobs data. August non-farm payrolls came in at 162,000 – well above market expectations of 55,000 – raising the probability of a Federal Reserve rate hike in September. Consequently, the rupiah reversed its earlier gains and depreciated, while Indonesian government bond yields moved higher.

Outlook

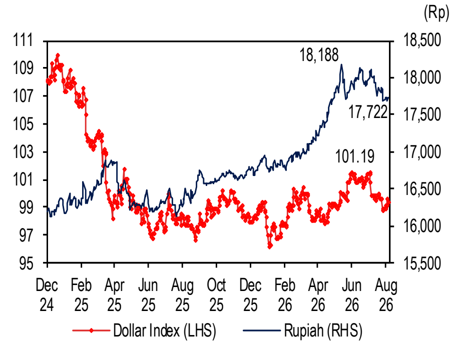
- Following the rupiah's positive movement in August, which aligned with seasonal patterns, we expect mild depreciation pressure to re-emerge in September and October, consistent with historical trends. This weakening is likely to be exacerbated by worsening global conditions, particularly the escalation of the US-Iran conflict and the resulting rise in oil prices. We project the rupiah to depreciate by approximately 0.5%-1.0%, ending the month around Rp17,800 per USD.
- Furthermore, we note a significant probability that the US Federal Reserve will raise its policy rate by 25bps to 4.00%, which would further strengthen the US dollar. Under this scenario, we expect Bank Indonesia to respond by increasing the issuance of short-term SRBI to attract foreign capital and raising its policy rate by 50bps to preserve the interest rate spread against

Indonesia Foreign Exchange Reserves



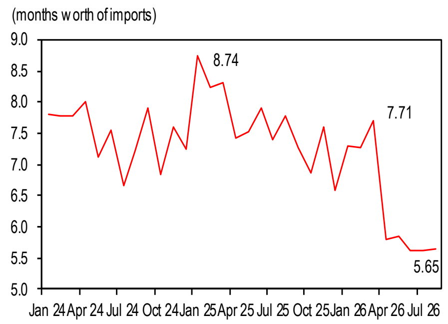
Source: BI

Rupiah Exchange Rate And US Dollar Index



Source: Bloomberg, UOB Kay Hian

Ratio Of Foreign Reserve To Imports



Source: Bloomberg

the Fed. BI's intervention is justified by the relatively low foreign reserve adequacy, which currently stands at 5.6 months of imports – the weakest level since 2024. As a result of the more hawkish Fed stance and volatile global geopolitical conditions, although partially offset by BI's policy interventions, the rupiah is expected to depreciate toward a range of Rp18,000-18,200 per USD by the end of the year.

- However, there remains a wildcard: Global capital flows into emerging markets appear to be counteracting higher US Treasury yields, defying conventional expectations. It remains to be seen whether this trend will continue or prove to be a short-term phenomenon, and this dynamic warrants close monitoring in the coming months.

Strategy

Digital Banks: Beyond Growth, Different Paths To ROE

Highlights

- **SeaBank validates the ecosystem model; SUPA is the emerging challenger**. SeaBank has translated its Shopee integration into Rp53t in assets and a 23.6% annualised ROE. SUPA offers the strongest listed organic growth exposure, but its 22% CASA mix and 7% cost of funds must improve for rapid asset expansion to generate attractive returns.
- **ARTO offers unconfirmed asset-origination optionality.** Its sizeable customer and deposit franchise generate only 6% annualised ROE. Bloomberg reported a shareholder-level review involving ARTO and BFIN, although neither company has confirmed a transaction. Any upside depends on whether an eventual structure improves origination and ROE without excessive premiums or dilution.
- **BBYB combines operating recovery with speculative ownership optionality.** Its 58% LDR and 50% CAR provide room to grow, while Akulaku's approved gradual divestment and OJK's proposed removal of KBMI 1 could encourage ownership changes or consolidation. However, no control sale has been confirmed, and re-rating requires either a value-accretive transaction or sustainable loan growth without higher credit costs.

What's New

- **The next contest is control of both sides of the balance sheet.** Early digitalisation relied on app downloads, promotional deposits and partnership-led lending. As customer acquisition matures, competitive advantage increasingly comes from controlling both liabilities and assets: A high-frequency ecosystem that generates sticky deposits, proprietary data and repeatable loan demand. The 2Q26 data supports this shift. SeaBank (not listed) and Superbank (SUPA) expanded loans by 53% and 60% yoy, while Bank Jago (ARTO) delivered balanced loan and deposit growth of 24% and 23%. Bank Neo Commerce (BBYB), despite a large digital user base, recorded 12% loan and 8% deposit contractions.
- **SeaBank provides the proof of concept; SUPA is the emerging challenger.** SeaBank's common ownership and deep integration with Shopee connects commerce, payments, deposits and credit within a relatively closed loop. This has made SeaBank Indonesia's largest digital bank, with loans of Rp39.8t, assets of Rp53t, up from Rp11t in 2021, and an annualised ROE of 23.6% in 1H26, demonstrating that ecosystem banking can deliver both scale and attractive returns. SUPA is following a similar path through Grab, OVO and Emtek's ecosystem: Around 7m users supported 60% loan growth, 89% deposit growth and 130% pre-provision operating profit (PPOP) growth. Management targets a mid-teens ROE in 2027 and Rp100t in assets within five to seven years (1H26: Rp27t), requiring a broader lending franchise beyond its existing ecosystem and consumer-focused segments. Nevertheless, funding remains SUPA's main constraint: CASA represented only 22% of deposits and its estimated cost of funds was around 7%, the highest among peers.
- **ARTO has built liabilities; the strategic question is how to originate better assets.** ARTO served 20.1m customers and gathered Rp27.6t in deposits in 1H26, including a 53% CASA mix, while 3.6m users were connected to Bibit and Stockbit. Yet, lending still relies heavily on platforms and financing partners, and its annualised ROE remained around 6%. Bloomberg reported that Jerry Ng and other investors are reviewing options involving ARTO and BFIN, including a potential merger; neither company has confirmed such a transaction. Strategically, BFIN's secured-financing products, physical distribution, salesforce and collection capabilities could help ARTO monetise its customers and deposits more effectively. A

Analyst(s)

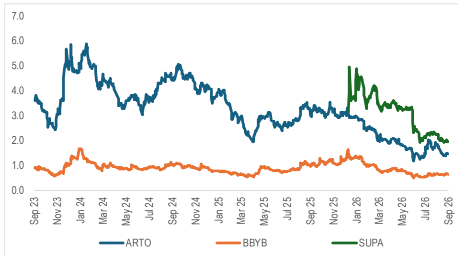
Posmarito Pakpahan
posmarito@kh.co.id
+6221 2993 3990

Company List

Ticker	Rec	Share Price (Rp)	Target Price (Rp)
SUPA	NR	520	n.a.
ARTO	NR	1,020	n.a.
BBYB	HOLD	264	520

Source: Bloomberg

Forward P/B Trends



Source: Bloomberg. UOB Kay Hian

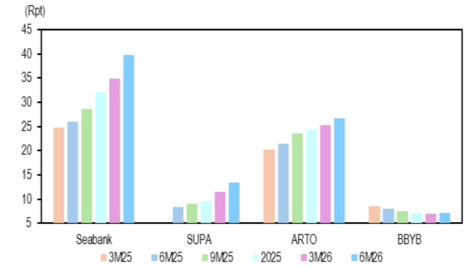
partnership, share swap, holding-company structure or new strategic investor could potentially deliver similar benefits. Any re-rating would depend on whether an eventual transaction broadens loan origination and creates a credible path towards sustainable double-digit ROE without excessive premiums or dilution.

- **BBYB: Rebuilding its origination engine.** BBYB has substantial capacity to resume growth, with LDR of 58% and CAR of around 50%, but the key challenge is converting excess liquidity and capital into risk-adjusted lending. Management's Rp8t year-end loan target implies around 13% growth in 2H26, driven by fintech channelling and multifinance as it gradually recalibrates overly restrictive credit scoring. This is a sensible shift away from Akulaku, where a 64% effective yield is offset by a high 31% credit cost, but the scalability and asset quality of the new channels remain untested. Meanwhile, lower funding costs, QRIS growth and expanding wealth management and bancassurance products are creating a broader earnings base. The planned BNPL launch adds strategic optionality, but our investment view depends on whether BBYB can restore loan and PPOP growth without pushing its already-high cost of credit above management's 16% guidance.

Valuation/Recommendation

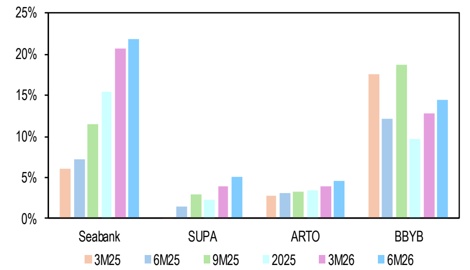
- **Three distinct investment plays.** We remain selective: SUPA offers organic ROE-inflection potential, ARTO carries unconfirmed asset-origination optionality involving BFIN, and BBYB provides higher-risk ownership and consolidation optionality. Neither ARTO nor BBYB has announced a transaction.
- **SUPA's premium requires visible ROE delivery.** At 43.2x 2026F PE and 2.1x P/B against 4.6% ROE, its valuation already anticipates strong growth. Further re-rating requires higher CASA, lower funding costs and credible progress towards management's mid-teens ROE target.
- **ARTO's valuation requires better asset monetisation.** Its 32.8x 2026F PE and 1.5x P/B remain demanding relative to 4.8% ROE. Reported strategic options involving BFIN could strengthen secured lending and physical distribution, but remain unconfirmed. Re-rating requires either a value-accretive transaction or stronger organic origination.
- **BBYB is inexpensive but remains high risk.** Its 5.9x 2026F PE and 0.7x P/B reflect loan contraction, elevated credit costs and ownership uncertainty. Speculation is supported by Akulaku's approval to gradually reduce its stake to a maximum of 30%, Gozco Capital's increased ownership to 10.53% and OJK's proposed removal of KBMI 1, although no control sale or buyer has been confirmed. Re-rating requires either sustainable operating recovery or a value-accretive transaction without material dilution.
- **Key risks:** a) adverse economic conditions, b) execution risk, c) regulatory changes, and d) corporate-action optionality failing to materialise or benefit minorities. The reported ARTO-BFIN review and potential BBYB ownership changes remain unconfirmed, while expensive acquisitions, unfavourable share swaps or dilutive rights issues could limit value creation.

Loan Outstanding As Of Jun 26



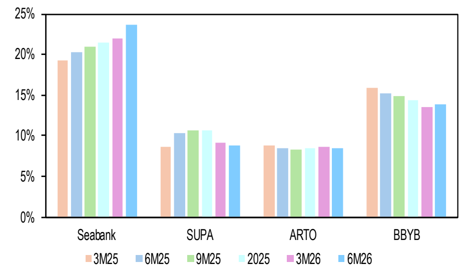
Source: Respective companies, UOB Kay Hian

ROE Trends



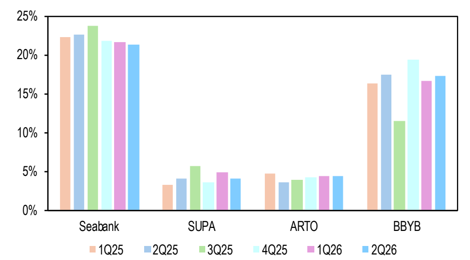
Source: Respective companies, UOB Kay Hian

NIM Trends



Source: Respective companies, UOB Kay Hian

Credit Cost Trends



Source: Respective companies, UOB Kay Hian

Valuation Comparison

Ticker	Company Name	Price 7 Sep 26 (Rp)	Market Cap (Rpb)	PE 2026F (x)	PE 2027F (x)	P/B 2026F (x)	P/B 2027F (x)	Div Yield 2026F (%)	Div Yield 2027F (%)	ROE 2026F (%)
SUPA	Super Bank Indonesia	520	17,626	43.2	25.0	2.1	1.9	n.a.	n.a.	4.6
ARTO	Bank Jago	1,020	14,139	32.8	18.8	1.5	1.4	n.a.	0.7	4.8
BBYB	Bank Neo Commerce	264	3,525	5.9	4.0	0.7	0.6	n.a.	n.a.	13.1

Source: Bloomberg. UOB Kay Hian

Selective Digital Banks' 1H26 Results

	Seabank Indonesia				SUPA			
Profit & Loss (Rpb)	**2Q25**	**2Q26**	**qoq (%)**	**yoy (%)**	**2Q25**	**2Q26**	**qoq (%)**	**yoy (%)**
Interest income	2,240	3,239	6.9	44.6	538	775	7.0	44.0
Interest expense	-311	-413	9.0	32.7	-136	-267	20.9	97.1
Net Interest Income	**1,929**	**2,826**	**6.6**	**46.5**	**402**	**508**	**0.8**	**26.2**
Other Opr Income	147	296	13.6	101.8	-11	31	16.5	-387.3
Other Opr Expenses	-487	-652	4.4	33.9	-281	-284	-6.6	1.1
PPoP	**1,589**	**2,470**	**7.9**	**55.5**	**111**	**254**	**12.6**	**129.5**
Provision Expenses	-1,439	-1,991	10.2	38.3	-81	-120	-4.1	49.3
Pre-tax Income	150	479	-0.5	219.1	30	134	33.5	343.4
Tax Exp	-33	-105	-0.7	218.6	-10	-30	33.5	196.9
Income After Tax	**117**	**374**	**-0.5**	**219.2**	**20**	**104**	**33.5**	**415.5**
Balance Sheet (Rpb)	**2Q25**	**2Q26**	**qoq (%)**	**yoy (%)**	**2Q25**	**2Q26**	**qoq (%)**	**yoy (%)**
Loan	25,999	39,807	14.4	53.1	8,384	13,436	17.6	60.3
Impairment	-3,348	-5,366	10.9	60.3	-497	-454	5.2	-8.6
Deposit	28,323	41,803	6.9	47.6	8,425	15,932	10.3	89.1
Current Account	7,022	11,486	8.4	63.6	174	466	-9.5	168.3
Saving	12,402	17,618	7.2	42.1	1,616	3,012	19.3	86.4
Time Deposit	8,898	12,699	5.1	42.7	6,636	12,454	9.2	87.7
CASA	19,424	29,103	7.7	49.8	1,789	3,477	14.4	94.3
Ratios (%)	**2Q25**	**2Q26**	**qoq (ppt)**	**yoy (ppt)**	**2Q25**	**2Q26**	**qoq (ppt)**	**yoy (ppt)**
LDR	91.8%	95.2%	6.3	3.4	99.5%	84.3%	5.2	-15.2
CASA	68.6%	69.6%	0.5	1.0	21.2%	21.8%	0.8	0.6
Loan/CASA	133.8%	136.8%	8.1	2.9	468.6%	386.4%	10.3	-82.2

	ARTO				BBYB			
Profit & Loss (Rpb)	**2Q25**	**2Q26**	**qoq (%)**	**yoy (%)**	**2Q25**	**2Q26**	**qoq (%)**	**yoy (%)**
Interest income	804	1,042	5.6	29.5	789	739	0.1	-6.3
Interest expense	-230	-279	7.4	21.4	-197	-177	-7.3	-10.0
Net Interest Income	**575**	**763**	**4.9**	**32.7**	**592**	**563**	**2.6**	**-5.0**
Other Opr Income	105	150	10.5	42.5	97	108	11.3	11.2
Other Opr Expenses	-409	-501	4.7	22.4	-213	-203	-4.2	-4.3
PPoP	**271**	**412**	**7.2**	**52.2**	**477**	**467**	**7.9**	**-2.1**
Provision Expenses	-185	-280	2.2	51.5	-363	-305	3.2	-15.9
Pre-tax Income	86	132	20.4	54.5	115	157	15.1	36.2
Tax Exp	-19	-29	20.3	53.9	1	1	45.9	1.9
Income After Tax	**67**	**103**	**20.4**	**54.6**	**116**	**158**	**15.2**	**36.0**
Balance Sheet (Rpb)	**2Q25**	**2Q26**	**qoq (%)**	**yoy (%)**	**2Q25**	**2Q26**	**qoq (%)**	**yoy (%)**
Loan	21,434	26,625	5.7	24.2	8,087	7,133	1.5	-11.8
Impairment	-409	-696	7.9	70.1	-556	-483	-2.9	-13.2
Deposit	22,195	27,186	4.1	22.5	13,334	12,294	-8.4	-7.8
Current Account	5,307	4,990	-1.6	-6.0	687	568	0.2	-17.3
Saving	6,137	9,581	8.6	56.1	3,324	3,394	-3.2	2.1
Time Deposit	10,752	12,615	3.2	17.3	9,323	8,332	-10.9	-10.6
CASA	11,444	14,570	4.9	27.3	4,011	3,962	-2.7	-1.2
Ratios (%)	**2Q25**	**2Q26**	**qoq (ppt)**	**yoy (ppt)**	**2Q25**	**2Q26**	**qoq (ppt)**	**yoy (ppt)**
LDR	96.6%	97.9%	1.5	1.4	60.6%	58.0%	5.6	-2.6
CASA	51.6%	53.6%	0.4	2.0	30.1%	32.2%	1.9	2.1
Loan/CASA	187.3%	182.7%	1.4	-4.6	201.6%	180.1%	7.4	-21.6

Source: Respective companies. UOB Kay Hian

Technical Analysis

Analyst(s)

Maskun Ramli, CFTe
maskunramli@kh.co.id
+6221 2993 3915

Source: Tradingview

Bumi Resources
BUMI IJ

Technical BUY with 8% potential return

Resistance:	Rp238, Rp250
Support:	Rp216, Rp202
Stop-loss:	Rp208

Share price closed higher and formed a bullish candlestick. Price broke above its Rp216 resistance; hence, more rallies could be triggered and price could challenge the resistance at Rp238 and Rp250. Technical Indicator RSI is sloping upwards and in its overbought zone, while the MACD remains on a bullish crossover. Buy at Rp220 and take profit at Rp238.

Approximate timeframe: 2-4 weeks.

Source: Tradingview

Indah Kiat Pulp & Paper
INKP IJ

Technical BUY with 5% potential return

Resistance:	Rp9,400, Rp9,525
Support:	Rp8,825, Rp8,625
Stop-loss:	Rp8,600

Share price closed higher and formed a bullish candlestick. Price advanced with positive momentum; hence, we see potential for price to make more rallies and challenge the resistance at Rp9,400 and Rp9,525. Technical indicator RSI is sloping upwards and approaching its overbought zone, while the MACD is relatively flattish for now. Buy at Rp9,075 and take profit at Rp9,525.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp15,700.