MIRAE ASSET
Securities

Flash Focus
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Mirae Asset Sekuritas Indonesia
Wilbert Arifin
wilbert.arifin@miraeasset.co.id

Index Analysis

MSCI Update

Nov-26 preview: A small rebalancing in the shadow of standalone risk

Focus shifts to whether the standalone risk materialises

MSCI's 15 October announcement marked an escalation beyond the special treatment imposed on Indonesia in January. It launched a consultation on reclassifying Indonesia from Emerging Market to Standalone Market. A standalone market sits outside every MSCI composite index, so in principle all foreign funds benchmarked to MSCI EM would be at risk of leaving. The JCI fell 11.6% on Friday 16 October, its steepest daily decline since 1998. It ended October down 16.7%, its worst monthly performance since March 2020. Foreign selling accelerated alongside sell-off with net outflows reaching IDR16.9tr in October vs. IDR10.2tr in September. This marks two consecutive months of rising outflows following a period of stabilisation in July and August.

Nov-26 preview: BRMS likely downgraded, BRPT a closer call

MSCI will announce its November index review in the early morning of 12 November Jakarta time, with changes effective after the close on 30 November. The freeze rules out additions and upward migrations, so any change for Indonesia can only be on the way down. The sell-off since the consultation was announced has pushed two Standard index names toward the line. BRMS is likely downgraded. Its retention threshold implies a share price of IDR440/sh and it closed above that on only one of the ten days in the 19-30 October window from which MSCI picks its price cutoff date. It ended the window 24.5% below at IDR332. BRPT is the closer call. Against a threshold of IDR1,290, it closed below on four of the ten days including a 7.0% drop to IDR1,070 on the final day. That puts the odds of BRMS leaving the Standard index at c.90% and BRPT at c.40%. BRMS would likely move to Small Cap while BRPT would be deleted outright, since its full market cap is too large for the Small Cap index. If both go, the Standard index would shrink from 9 to 7 names and Indonesia's weight in EM would fall further to c.0.39%.

Up to IDR1.2tr of passive outflow, small next to what consultation puts at stake

We estimate passive outflow of IDR300bn from a BRMS migration, c.900mn sh or 1.1% of its foreign holdings. A BRPT deletion would add IDR900bn, c.840mn sh or 3.7% of its foreign holdings. On our numbers, MSCI Indonesia index market cap would fall 2.3% on BRMS alone and 4.7% with BRPT, cutting Indonesia's EM weight by 0.9bps & 1.9bps respectively, all else equal. These flows are modest against IDR16.9tr foreign investors sold in October alone, and the market should absorb them without much trouble. The market's attention has moved past the quarterly review to the consultation itself. The questions now are whether standalone reclassification goes ahead and what it would mean for foreign flows and the index. MSCI is taking feedback until 30 April 2027 and will decide by 30 June 2027, and November review will do little to settle the matter in the meantime.

We are preparing a **separate report** setting out our view on the **odds of a standalone reclassification** with **estimates of the potential outflow** and the **likely price action** based on past MSCI downgrades.

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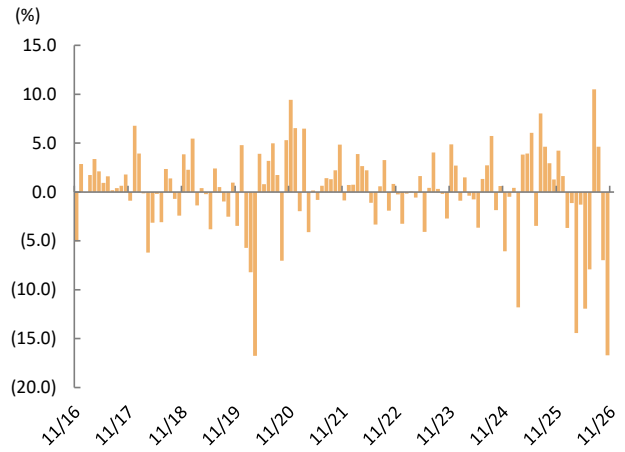
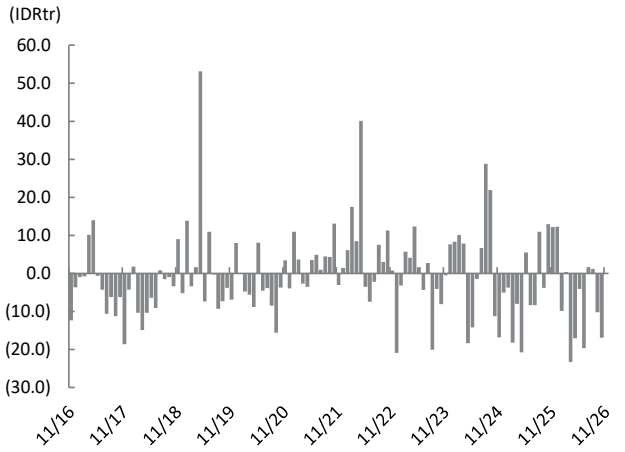
Figure 1. JCI monthly return over the past decade



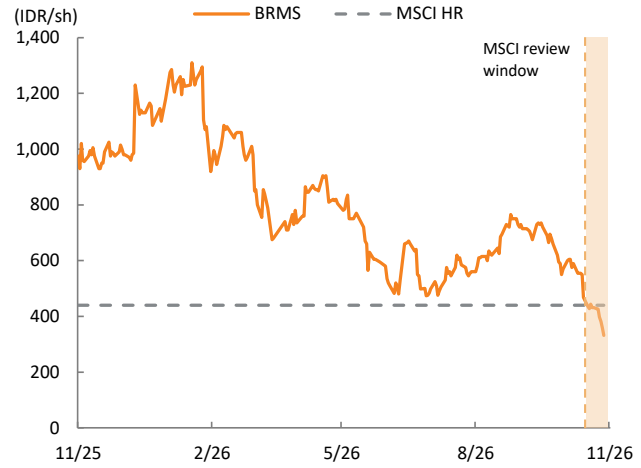
Source: IDX, Mirae Asset Sekuritas Indonesia Research

Figure 2. JCI monthly foreign flows over the past decade



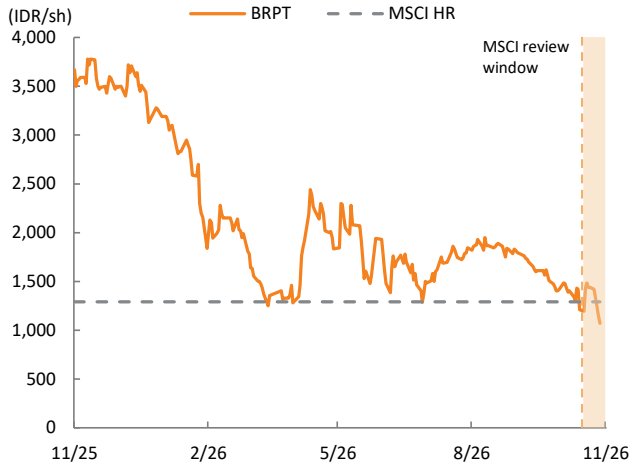
Source: IDX, Mirae Asset Sekuritas Indonesia Research

Figure 3. BRMS 12M performance vs. MSCI HR



Source: IDX, Mirae Asset Sekuritas Indonesia Research estimates

Figure 4. BRPT 12M performance vs. MSCI HR



Source: IDX, Mirae Asset Sekuritas Indonesia Research estimates

Table 1. MSCI Indonesia index constituents

Ticker	Price	Min price	Shares, bn sh	Full Mcap, USDbn	FF Mcap, USDbn	EM weight, %
BBCA	4,980	500	123.3	33.8	13.5	0.12
BBRI	2,800	410	151.6	23.4	9.4	0.08
BMRI	3,720	660	93.3	19.1	7.6	0.07
TLKM	1,980	560	99.1	10.8	4.9	0.04
ASII	4,800	1,530	40.5	10.7	4.3	0.04
BBNI	3,320	1,900	37.3	6.8	2.4	0.02
UNTR	24,200	20,630	3.7	4.9	1.6	0.01
BRPT	1,070	1,290	93.7	5.5	1.1	0.01
BRMS	332	440	141.8	2.6	1.0	0.01
Total FF Mcap, USDbn					**45.8**	**0.41**
Total FF Mcap if BRMS out, USDbn					**44.8**	**0.40**
Total FF Mcap if BRMS & BRPT out, USDbn					**43.7**	**0.39**

Note: Closing price and index market cap as of 30 October 2026

Source: MSCI, Mirae Asset Sekuritas Indonesia Research estimates

Appendix 1

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Mirae Asset Securities International Network

Mirae Asset Securities Co., Ltd. (Seoul)
One-Asia Equity Sales Team
Mirae Asset Center 1 Building
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539
Korea

Tel: 82-2-3774-2124

Mirae Asset Securities (HK) Ltd.
Units 8501, 8507-8508, 85/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong
Tel: 852-2845-6332

Mirae Asset Securities (UK) Ltd.
41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

Mirae Asset Securities (USA) Inc.
810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Wealth Management (Brazil) CCTVM
Rua Funchal, 418, 18th Floor, E-Tower Building
Vila Olimpia
Sao Paulo - SP
04551-060
Brazil
Tel: 55-11-2789-2100

PT. Mirae Asset Sekuritas Indonesia
District 8, Treasury Tower Building Lt. 50
Sudirman Central Business District
Jl. Jend. Sudirman, Kav. 52-54
Jakarta Selatan 12190
Indonesia
Tel: 62-21-5088-7000

Mirae Asset Securities (Singapore) Pte. Ltd.
6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

Mirae Asset Securities (Vietnam) LLC
7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3911-0633 (ext.110)

Mirae Asset Securities Mongolia UTsK LLC
#406, Blue Sky Tower, Peace Avenue 17
1 Khoroo, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Mirae Asset Investment Advisory (Beijing) Co., Ltd
2401B, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699

Beijing Representative Office
2401A, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699 (ext. 3300)

Shanghai Representative Office
38T31, 38F, Shanghai World Financial Center
100 Century Avenue, Pudong New Area
Shanghai 200120
China

Tel: 86-21-5013-6392

Ho Chi Minh Representative Office
7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3910-7715

Mirae Asset Capital Markets (India) Pvt Ltd
1st Floor, Tower 4, Equinox Business Park,
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070
India

Tel: 91-22-62661300 / 48821300