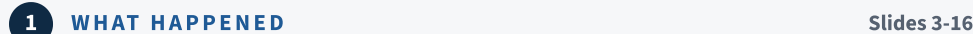


By Ade S · Data to 29 Oct 2026 · Next update after MSCI's November 2026 review



35 slides with the method, 79 linked sources and every exhibit. Free with your email.

sulco.id/research/msci-standalone

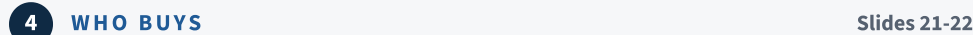


The chart displays the daily count of COVID-19 cases in the United States from January to September 2020. The y-axis represents the number of cases, ranging from 5,000 to 9,000. The x-axis shows the months from January to September. A light blue shaded area indicates the range of cases, and a dark blue line shows the daily count. Key points are marked with red dashed lines and numbers 1 through 4, corresponding to the dates in the table below.

Date	Number of Cases
Jan 1, 2020	8,647
Jan 15, 2020	9,135
Jul 1, 2020	~5,800
Sep 1, 2020	5,284

1 • 27 Jan	2 • 23 Jun	3 • 12 Aug	4 • 15 Oct
Data warning; index changes frozen	Information-flow rating cut	Two stocks cut; 9 left, 0.43% weight	Standalone proposed; IHSG -11.6% next day

The issue is governance, not size: opaque ownership and suspected coordinated trading. MSCI will judge enforcement, not announcements.



Supply
\$20.6bn

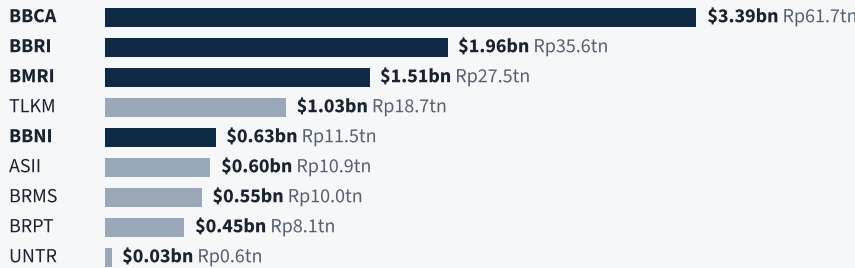
Demand
\$4.3-7.9bn

Foreign selling 18.4

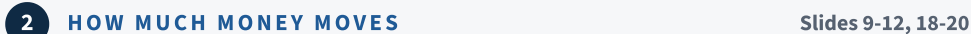
Gap \$13-16bn

Free float 2.2 · Danantara 1.0 · Buybacks 2.6 · Others 0.7 · Upside 3.6 (Danantara to \$3bn, BPJS TK)

Forced selling in the nine MSCI stocks (dark = banks)



The gap clears through retail buyers and lower prices.



Emerging • today
0.43% of MSCI EM, ~\$5.6bn of index money

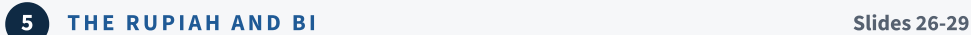
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Standalone • proposed
No regional index; single-country funds only

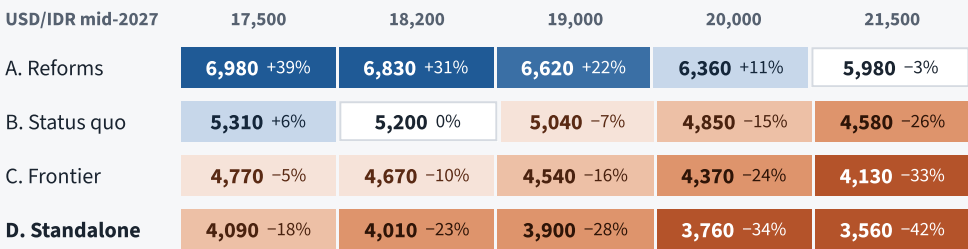
Standalone, USD bn

Category	Value (USD bn)	Running Total (USD bn)
Index funds	5.6	5.6
Active funds	6.0	11.6 (Index-linked)
Other foreign	6.8	18.4 (Gross)
Danantara	-1.0	17.4 (Net)

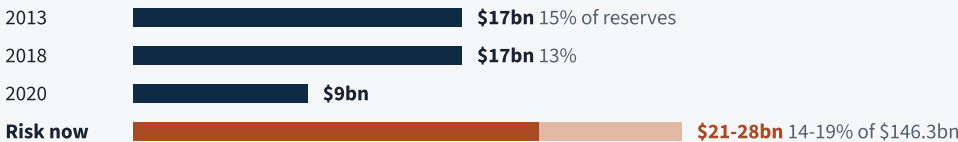
Index funds must sell everything; active funds usually follow. Published estimates run from \$3.1bn (MUFG) to \$19bn (UBS).



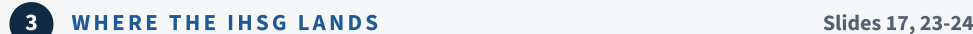
IHSG by outcome and rupiah level · % = return in US dollars



FX reserves used in past defences vs possible outflow now, USD



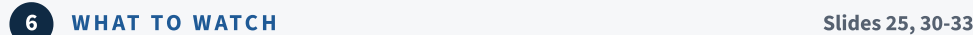
Each 1% rupiah fall adds ~\$0.3bn of selling. A \$21bn outflow is 14% of \$146.3bn reserves, as in 2013 and 2018; 18-19% with 2020-style bond exits.



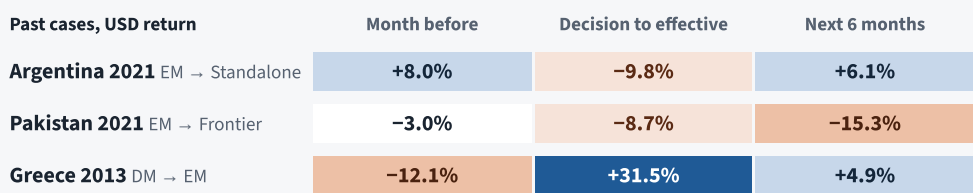
HSG by mid-2027	3,000	5,000	7,000	Odds	vs today	In USD
A. Reforms accepted				6,91015%	+33%	+36%
B. Status quo				5,20025%	0%	0%
C. Frontier				4,56010%	-12%	-16%
D. Standalone				3,83050%	-26%	-31%
Weighted				4,710	-9%	-12%

Bar = range; dot = mid; dashed = today. Odds: MSCI intent and 6 past cases (method note).

Weighted across the four outcomes, the IHSG is about 4,710, 9% below today. A scenario range, not a price target.



Nov 2026	MSCI review: more deletions cut the weight
Dec 2026 to Apr 2027	OJK and IDX enforcement; free-float compliance
Spring 2027	FTSE review: following MSCI adds ~\$2.7bn
30 Apr 2027	Consultation feedback closes
By 30 Jun 2027	MSCI decision: the main price event



Odds fall toward 35%

if enforcement goes beyond the largest stocks

Odds rise toward 65%

if new coordinated-trading cases appear

Passive outflow is ~7-9x Argentina's in 2021, so more of the move may come early.

NOTES BY STEP

1. IHSG 8,647 at end-2025, peak 9,135 (20 Jan), 5,284 on 29 Oct; -7.35% on 28 Jan. 12 Aug: CPIN and GOTO removed. OJK and IDX announced reforms on 21 and 26 Oct. Indonesia passes MSCI's size test and fails on information flow and price formation.

2. Weight = \$53.4bn ÷ \$12.28tn MSCI EM; 0.1 point ≈ \$1.3bn. Index 5.6 = Goldman passive estimate; active = 75% of ~\$8bn held; other = 8.5% (2026 pace) of ~\$80bn non-benchmarked money (35% strategic, KSEI); Danantara ~\$1bn pledged. Other estimates: Samuel 5.8-7.3, Sucor ~40 incl. bonds. Frontier gross \$12.2bn.

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3. Two-block model: 9 MSCI stocks (~24% of IDX value) on MSCI Indonesia P/E (7.3x today; 10.0x, 7.3x, 6.5x, 5.5x in A-D), earnings and the rupiah; the rest moves at 0.8x. USD/IDR 17,800, 18,200, 18,900, 19,500 in A-D. Standalone odds of 40% or 60% give 4,840 or 4,570.

4. Supply = foreign selling 18.4 + free-float stage 1 2.2. Demand: Danantara 1-3 (Rp17.9tn pledged), unused buybacks 2.6 (Rp48tn), BPJS TK 0-1.6, insurers 0.5, pension 0.2, mutual funds 0 (redemptions). Stock split = 85% of index + 90% of active flow by estimated weight Rp at 18,180.

5. Outflow = equities 18.4 + SRBI 1.6 + SBN 1.0; stress bond exits as in 2020 take it to \$27-28bn. Each 1% rupiah fall cuts EPS 0.5%. Standalone at 20,000: IHSG ~3,760, -34% in USD Current account deficit 3.3% of GDP (Q2 2026). BI held 5.75% on 21 Oct; deposit facility 5.00%.

6. Passive outflow: Argentina ~\$0.6bn, Pakistan ~\$0.15bn, Indonesia \$4.0-5.6bn (~7-9x Argentina). Russia 2022 was removed at about zero. Indonesia's size suggests more of the move comes early.

Glossary. IHSG: Jakarta Composite Index. IDX: Indonesia Stock Exchange. OJK: Financial Services Authority. BI: Bank Indonesia. Danantara: sovereign investment fund. BPJS TK: workers' social security fund. SBN: government bonds. SRBI: BI rupiah securities. Index-linked selling: passive plus expected active selling.

Sources. MSCI; Goldman Sachs; UBS; MUFG; Samuel Sekuritas; Sucor; ACGA; Investor Daily; Trading Economics; Antara; IDX Channel; Jakarta Globe; Dawn; Buenos Aires Times; Yahoo Finance. Full list by slide: sulco.id/research/msci-standalone/sources