

# 2026 Year of Fire Horse Outlook

*A Year of Fire: Ignite the Pace*



## Shedding the Old Skin, Racing the New Flame

---

*The transition from the cautious cycle of the Snake to the explosive **Fire Horse** marks an inflection point for the Indonesian capital market. Amidst the residue of volatility caused by transparency challenges and regulatory friction, 2026 arrives not just as a calendar change, but as a **catalyst for renewal**. We anticipate a wave of **structural reforms** that will recalibrate market foundations, turning governance challenges into momentum for strengthening market integrity*



## Outpace, Don't just Outlast

- It is not the time for passive consolidation; the market will be dominated by entities that dare to seize space
- Projects with "future stories" and strong growth prospects will gain premium valuations

***"In a Fire Horse year, standing still is the greatest risk. Move fast or be consumed by the pace of the market."***



Source: Tradingview

## The Anatomy of the Fire Horse: Elemental Convergence

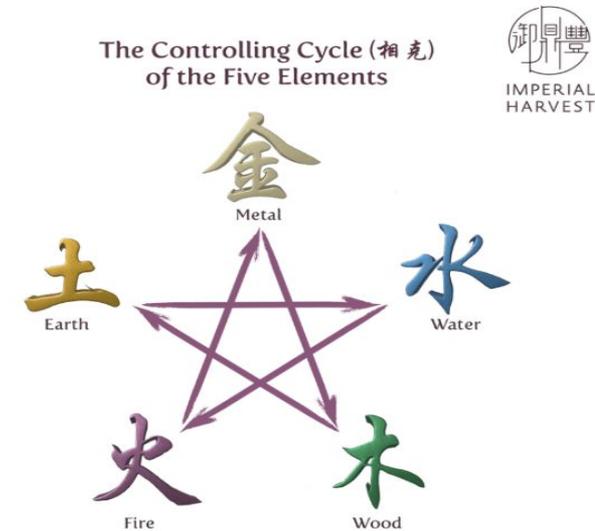
- Element: Fire (火), symbolizes transformation, volatility, and exposure to risk.
- Zodiac: Horse (馬), symbolizes speed, expansion, and competition.
- **Strategic Pivot: Rotation Over Retention.** Traditional **buy-and-hold** strategies will be eroded by inflation and volatility. Maximum profits are achieved through **active rebalancing** and momentum plays as the market moves in rapid sector rotations



Source: Freepik

## The Elemental Market Cycle: From Inception to Liquidity

- **Wood (木):** represents the formation of ideas and early expansion
- **Fire (火):** represents peak valuation and market attention. Momentum is driven by strong narratives and high exposure
- **Earth (土):** represents the consolidation phase of physical assets. It acts as a support when market volatility increases
- **Metal (金):** regulatory tightening and focus on margin efficiency. Governance is the key to survival
- **Water (水):** Defensive cash flow and liquidity management. Sectors that serve as safe havens for funds

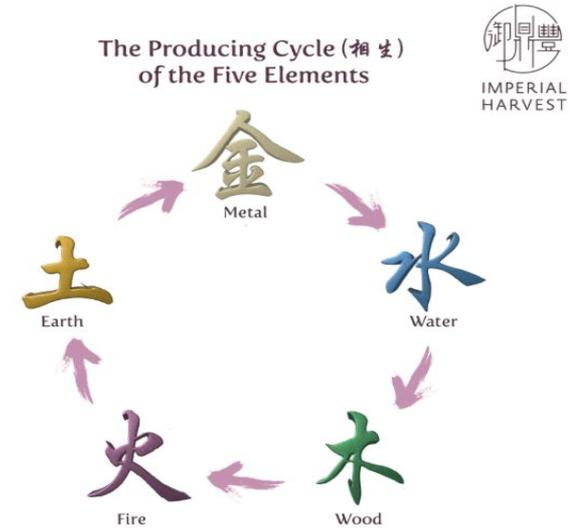


Source: Imperial Harvest

## Sector Acceleration: The Wood-to-Fire Catalyst

The elemental synergy, where wood serves as fuel for fire, creates an aggressive growth cycle for sectors based on rapid expansion and scalability.

- **Digital Ecosystem & Tech Enablers**, Platforms with massive user bases and high scalability focusing on the network effect
- **Digital Infrastructure**, the backbone of the digital economy; surging data capacity demand acts as recurring fuel
- **New Economy & AI Frontiers**, exposure to artificial intelligence and automation, valued based on future value



Source: Imperial Harvest

## The Fire Dominance: Sectors of Maximum Visibility

---

The "Fire Grows with Fire" strategy: These sectors have the highest positive correlation with the volatility and dynamics of the fire horse year. Focus on issuers that offer instant performance visibility and a strong macro narrative.

- **Energy Transition & Downstream Plays**, focus on downstreaming and energy transition projects with clear cash flow visibility
- **Geopolitical Commodities**, beneficiaries of global supply shocks or scarcity
- **High-Capex Industrials**, heavy industries in aggressive expansion phases. The market likes bold capex for future growth
- **National Strategic Proxies**, Issuers representing national strategic agendas

## The Fire Dominance: Sectors of Maximum Visibility

---

**Analyst Caution:** The Overheat Risk, the fire character offers rapid acceleration in returns, but carries the risk of overbought and sharp reversals. Disciplined profit-taking and volatility management are key in this sector.

## Earth Sector: The Portfolio Anchor

---

Fire Generates Earth (火生土) — Cyclically, the explosive energy of fire will eventually subside and form Earth. In a market context, this means that capital flows from high-growth sectors will eventually seek safe haven in real-value, stable assets.

- **Mature Infrastructure:** Toll roads and tower assets
- **Defensive Property:** Focus on recurring income like malls and hospitals
- **Utilities & Basic Materials:** Dominant players with strong market share

## Structural Headwinds: The Control Elements (Water & Metal)

---

In the cycle of elements, **water extinguishes fire** and **metal limits its movement**. This creates natural resistance for sectors that rely heavily on relaxed regulations and cheap liquidity.

- **Big Banks & High-Prudence Sectors**, Large banks tend to be conservative. In a year that demands aggressiveness, an overly cautious approach will suppress credit growth
- **Highly Regulated Financials**, The insurance and financing sectors are sensitive to changes in stringent regulations. Tightening compliance standards will erode profit margins
- **Capital Preservation Proxies**, Instruments or companies whose primary focus is solely on maintaining asset value. In a rallying market, this sector will lag far behind the index

## Structural Headwinds: The Control Elements (Water & Metal)

---

**Analyst note: Underweight / selective exposure**, these sectors face **structural ceilings** in the fire year. Limit exposure to market leaders with very strong internal liquidity. Avoid smaller players vulnerable to liquidity tightening.

## Full breakdown of Industries related to the Five Elements

- **Wood (木):** Agriculture, commodities, timber, furniture, property development, fashion, education and cultural activities
- **Fire (火):** Energy, oil & gas, IT, telecommunications, food, hospitality, startups, entertainment, media, aviation, and pharmaceuticals
- **Earth (土):** Property, insurance, construction, mining, land surveying, western medicine, antiques, and escrow services
- **Metal (金):** Automobile manufacturing, legal sector, military sector, financial sector, jewelry, blacksmithing, unit trusts, and engineering
- **Water (水):** Tourism, F&B, logistics, transportation, marine engineering, aquatics, dan journalism.

### Industries related to the Five Elements



Wood (木)	Agriculture, commodities, timber, furniture, property development, fashion, education, cultural activities
Fire (火)	Energy, oil and gas, IT, telecommunications, food, hospitality, start-ups, entertainment, media, aviation, pharmaceutical
Earth (土)	Property, insurance, construction, mining, land surveyors, western medicine, antiques, escrow services
Metal (金)	Automobile manufacturing, legal sector, military sector, financial sector, jewellery, smithing, unit trust, engineering
Water (水)	Tourism, F&B, logistics, transportation, marine engineering, aquatics, journalism

Source: Imperial Harvest

## Top Stock Picks: Capitalizing on 2026 Catalysts



**BMRI (BUY)**  
TP 5.950

- **Attractive dividend yield**, one of the largest dividend payers
- **Upside** & interesting valuation
- **Solid business turnover** narratives



**BTPS (BUY)**  
TP 1.635

- **Profitability recovery through CPKN reduction**. Financing margins remain strong, and operations are returning to stability
- **Aggressive credit expansion**
- **Valuation** under fair value



**INKP (BUY)**  
TP 10.800

- **The potential for massive volume increases** from the new pulp mill operations, which will significantly increase production capacity to meet global demand.



**ERAL (BUY)**  
TP 540

- **Growth story** from automotive segment and store expansion with strong SSSG

## Top Stock Picks: Capitalizing on 2026 Catalysts



**JPFA (BUY)**  
TP 3.110

- **Stable corn price**  
Rp5.500/kg via government distribution
- **Margin recovery** from culling policy
- **MBG 355T budget** increase demand for protein



**INET (BUY)**  
TP 630

- **Sea cable Jkt-Btm-Sgp 20 Tbps & FTTH** Bali-Lombok 2 million home passes
- **Expansion through subsidiaries named SIDI**, for digital infrastructures
- **50% capacity is absorbed**, potential for new recurring income



**TRIN (BUY)**  
TP 1.650

- **Successfully turn losses into net profit**
- **Newly elected Putri Hashim Djojohadikusumo** strengthen capital power.
- **More aggressive projects**, operational efficiencies and asset diversification

## Top Stock Picks: Capitalizing on 2026 Catalysts

**emp**

**ENRG (BUY)**  
TP 2.000

- **Production target to increase 10–15% YoY** & new well
- **Private placement/rights** issue to strengthen the capital structure
- **Attractive valuation** because of solid gas business segment

Telkom  
Indonesia

**TLKM (BUY)**  
TP 4.000

- **Spin-off TIF** buka nilai aset fiber yang masif
- **Slimmer structure &** more transparent performance after separation
- **Potential for strategic partnerships** & re-rating infrastructure assets

 **RMKE**

**RMKE (BUY)**  
TP 13.100

- **First-mover** coal infrastructure by train
- **Public road hauling** in 2026 shifts volume to RMKE
- **Long term contract** and high cash flow visibility

## 2026 IDX Strategy: The Alpha Playbook

The year 2026 demands a radical shift from passive strategies to aggressive stock picking. The market no longer moves in unison, but is instead dominated by issuers with strong growth narratives and high liquidity as key indicators. In this momentum-oriented landscape, defensive sectors lose their appeal as growth engines, shifting to merely serving as hedging instruments to mitigate volatility.



Source: Tradingview

## Final Notes on Navigating the Fire Horse Cycle

---

*2026 is not a stage for those seeking safety, but for those with the sharpness to read momentum. Under the Fire Horse, silence means being left behind. The winners will not be the most defensive, but the **fastest to adapt** to the winds of volatility. **Exit strategies** are just as crucial as entries*

*"Fortune favours the bold"*

THANK YOU

PT. Kiwoom Sekuritas Indonesia  
Gedung Treasury Tower Lt. 27A District 8 Kawasan SCBD Lot 28, Jalan Jendral Sudirman No.RT.05 Kav. 52-53,  
RT.5/RW.3, Senayan, Kec. Kby. Baru, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta 12190

Phone: (021) 50105800  
Fax: : (021) 5010 5820  
Email: [cs@kiwoom.co.id](mailto:cs@kiwoom.co.id)