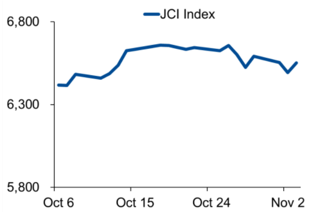
Morning Brief

NH KORINDO SEKURITAS INDONESIA

Daily | 04 Nov, 2021

JCI Movement



Today's Outlook:

The US stock market booked another record high on (03/11), led by Nasdaq which rose 1.04%. As expected, the Federal Reserve announced the start of tapering that will continue until the middle of 2022. Meanwhile, the yield on the 10-year US Treasury rose again, moving past 1.6% in response to this decision.

Domestically, JCI managed to rebound by 0.91%; supported by strengthening in 9 of 11 sectoral indexes. Investors will tend to be cautious in responding to the announcement of the start of tapering; and anticipate the release of Indonesia's GDP data for the third quarter of 2021 tomorrow. Technically, JCI has the potential to consolidate within the range of movement of 6,480-6,574.

Company News

HRUM : Revenue Up 50.9% in 3Q21

ARNA : Net Profit Jumps 56.85%

BNGA : Pays off IDR 182 Billion Bonds

Domestic & Global News

Foreign Ownership of SBN Drops

US Service Sector Growth Hits Record High

Sectors

	Last	Chg.	%
Technology	9286.02	134.72	1.47%
Property	875.75	11.52	1.33%
Finance	1531.06	19.58	1.30%
Basic Material	1195.81	13.36	1.13%
Energy	985.12	10.59	1.09%
Healthcare	1415.60	15.11	1.08%
Infrastructure	972.95	5.11	0.53%
Transportation & Logistic	1226.67	-3.10	0.25%
Consumer Cyclicals	856.23	1.49	0.17%
Consumer Non-Cyclicals	687.40	-1.32	-0.19%
Industrial	1055.45	-2.62	-0.25%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	7.07%	-0.74%
FX Reserve (USD bn)	146.90	144.80	Current Acc (USD bn)	(2.20)	(1.00)
Trd Balance (USD bn)	4.37	4.74	Govt. Spending Yoy	8.06%	2.96%
Exports Yoy	47.64%	64.10%	FDI (USD bn)	6.61	4.92
Imports Yoy	40.31%	55.26%	Business Confidence	104.82	105.33
Inflation Yoy	1.66%	1.60%	Cons. Confidence*	95.50	77.30

JCI Index

Nov 03	6,552.13
Chg.	+58.85pts (+0.91%)
Volume (bn shares)	184.66
Value (IDR tn)	10.83

Adv. 305 Dec. 219 Unc. 212 Untr. 70

Most Active Stocks (IDR bn)

by Value

Stocks	Val.	Stocks	Val.
ASII	537.7	ARTO	320.1
BBCA	451.8	KLBF	227.7
BBRI	428.7	CARE	205.9
BMRI	383.8	FREN	191.6
BBNI	323.9	NATO	185.2

Foreign Transaction (IDR bn)

Buy	3,130
Sell	2,972
Net Buy (Sell)	158

Top Buy	NB Val.	Top Sell	NS Val.
KLBF	119.0	ASII	178.2
BBRI	104.9	UNTR	76.2
BUKA	57.0	JPFA	18.5
BMRI	50.3	TLKM	15.1
PGAS	31.4	CARE	14.7

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.08%	-0.00%
USDIDR	14,298	0.32%
KRWIDR	12.11	-0.15%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,157.58	104.95	0.29%
S&P 500	4,660.57	29.92	0.65%
FTSE 100	7,248.89	(25.92)	-0.36%
DAX	15,959.98	5.53	0.03%
Nikkei	29,520.90	(126.18)	-0.43%
Hang Seng	25,024.75	(74.92)	-0.30%
Shanghai	3,498.54	(7.09)	-0.20%
KOSPI	2,975.71	(37.78)	-1.25%
EIDO	23.47	0.16	0.69%

Commodities

Commodity	Last	Chg.	%
Gold ($/troy oz.)	1,769.8	(17.9)	-1.00%
Crude Oil ($/bbl)	80.86	(3.05)	-3.63%
Coal ($/ton)	145.40	19.30	15.31%
Nickel LME ($/MT)	19,448	(126.0)	-0.64%
Tin LME ($/MT)	36,888	1030.0	2.87%
CPO (MYR/Ton)	5,071	101.0	2.03%

HRUM : Revenue Up 50.9% in 3Q21

The coal mining company, PT Harum Energy Tbk (HRUM) posted a net profit of USD 37.53 million during 9M21. This figure rose 45.84% YoY. As of the end of 3Q21, HRUM posted a revenue of USD 205.54 million or up 50.9% YoY from 3Q20 of USD 136.14 million. In detail, HRUM's revenue consists of revenue from contracts with customers, including sales of coal worth USD 194.93 million to the export market. (Kontan)

BNGA : Pays off IDR 182 Billion Bonds

PT Bank CIMB Niaga Tbk. (BNGA) has paid off bonds by relying on funds from internal cash. The Company has paid off the entire outstanding Shelf-Registered Bonds II Phase I Year 2016 Series C on November 3, 2021. The principal amount of the bonds paid was IDR 182 billion and the total (gross) bond interest was IDR 3.75 billion. Meanwhile, in terms of performance, CIMB Niaga posted a consolidated net profit of IDR 3.14 trillion, or grew 69% YoY for the period 30 September 2021. (Bisnis Indonesia)

ARNA : Net Profit Jumps 56.85%

Ceramic producer PT Arwana Citramulia Tbk (ARNA) booked net sales of IDR 1.88 trillion throughout 9M21. This figure is up 16.91% YoY. The improvement in ARNA's revenue also boosted its net profit, growing 56.85% from IDR 221.50 billion to IDR 347.44 billion at the end of September 2021. In addition to a 5% decrease in the cost of goods sold, the Company's performance was also supported by an improvement in the average selling price (ASP). (Kontan)

Domestic & Global News

Foreign Ownership of SBN Drops

Until the end of October 2021, the level of foreign ownership in Indonesian Government Securities (SBN) was recorded at IDR 950.98 trillion or 21.39% of the total SBN. This figure is lower than mid-October which was at IDR 955.15 trillion or 21.43% of the total SBN. Foreign ownership, showing a decline ahead of the certainty of the Fed's tapering policy, triggers investors to switch to the United States (US) market from emerging markets such as Indonesia. (Bisnis Indonesia)

US Service Sector Growth Hits Record High

Activity in the US services sector hit a record high on October as declining Covid cases boosted demand, although supply chain problems continue to weigh on activity. The Institute for Supply Management’s index tracking non-manufacturing activity rose to 66.7 in October from 61.9 the month before. A reading above 50 signals expansion. October’s reading was the highest since the index began in 2008 and exceeded economists’ expectations that it would stay little changed at 62. (Reuters)

NHKSI Stock Coverage

	Last Price	End of Last Year Price	Target Price*	Rating	Upside Potential (%)	1 Year Change (%)	Market Cap (IDR tn)	Price / EPS (TTM)	Price / BVPS	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth *Yoy* (%)	EPS Growth *Yoy* (%)	Adj. Beta
Finance							3,191.2							
BBCA	7,350	6,770	8,375	Overweight	13.9	26.3	906.1	29.9x	4.6x	16.1	1.4	0.6	15.7	1.1
BBRI	4,290	4,068	N/A	*Under Review*		33.7	649.0	22.8x	2.3x	10.1	2.2	8.3	37.3	1.3
BBNI	7,025	6,175	6,050	Underweight	(13.9)	52.1	131.0	19.5x	1.1x	5.8	0.6	(6.8)	79.8	1.5
BMRI	7,125	6,325	7,450	Hold	4.6	25.0	332.5	14.9x	1.7x	11.7	3.1	10.7	37.1	1.3
Consumer Non-Cyclicals							1,044.5							
ICBP	8,775	9,575	11,300	Buy	28.8	(10.2)	102.3	15.9x	3.1x	20.9	2.5	22.4	(4.8)	0.7
INDF	6,250	6,850	8,000	Buy	28.0	(10.1)	54.9	7.8x	1.2x	16.3	4.4	20.1	20.7	0.9
MYOR	2,360	2,710	2,700	Overweight	14.4	1.3	52.8	35.5x	4.9x	13.9	2.2	13.1	(37.1)	0.8
CPIN	6,175	6,525	6,675	Overweight	8.1	5.6	101.3	20.1x	3.9x	20.6	1.8	28.8	73.0	1.2
AALI	11,000	12,325	12,000	Overweight	9.1	4.3	21.2	12.3x	1.1x	8.8	2.3	35.2	152.2	1.4
LSIP	1,425	1,375	1,380	Hold	(3.2)	49.2	9.7	8.8x	1.0x	12.0	1.4	39.0	461.5	1.6
Consumer Cyclicals							350.0							
ERAA	625	440	850	Buy	36.0	82.7	10.0	9.5x	1.7x	19.9	2.2	47.6	386.1	1.2
MAPI	900	790	825	Underweight	(8.3)	42.9	14.9	112.0x	2.6x	2.3	N/A	33.9	N/A	1.2
ACES	1,425	1,715	1,600	Overweight	12.3	(9.5)	24.4	46.3x	4.9x	10.7	2.3	(14.3)	(39.1)	1.0
Healthcare							254.4							
KLBF	1,635	1,480	1,750	Overweight	7.0	12.4	76.6	25.6x	4.1x	16.8	3.4	11.7	12.9	0.9
SIDO	870	799	1,030	Buy	18.4	7.6	26.3	22.5x	8.5x	36.4	3.9	23.0	36.1	0.7
MIKA	2,260	2,730	3,250	Buy	43.8	(7.0)	32.2	26.9x	6.2x	24.8	1.6	47.1	67.6	0.3
Infrastructure							770.84							
TLKM	3,720	3,269	4,400	Buy	18.3	46.0	368.5	16.6x	3.7x	22.9	4.5	3.9	13.3	1.1
ISAT	7,000	5,050	6,400	Underweight	(8.6)	250.9	38.0	6.9x	2.1x	36.9	N/A	12.0	N/A	1.4
JSMR	4,190	4,630	5,100	Buy	21.7	13.2	30.4	24.3x	1.5x	6.5	N/A	1.6	709.1	1.3
EXCL	3,010	2,730	3,150	Hold	4.7	51.6	32.3	N/A	1.6x	(3.3)	1.1	(0.8)	(58.9)	1.1
TOWR	1,155	960	1,520	Buy	31.6	17.3	58.9	17.8x	5.4x	32.6	2.4	7.8	30.8	0.8
TBIG	2,800	1,630	3,240	Buy	15.7	96.5	63.4	50.2x	6.9x	16.1	1.1	15.3	29.9	0.7
WIKA	1,265	1,985	1,410	Overweight	11.5	8.6	11.3	601.0x	0.8x	0.1	N/A	(5.1)	(66.7)	1.8
PTPP	1,200	1,865	1,380	Buy	15.0	34.1	7.4	32.2x	0.7x	2.1	N/A	10.8	200.0	1.8
Property & Real Estate							277.1							
CTRA	1,085	985	1,320	Buy	21.7	38.2	20.1	12.3x	1.3x	10.7	0.8	43.4	188.9	1.4
BSDE	1,125	1,225	1,345	Buy	19.6	29.3	23.8	22.5x	0.8x	3.5	N/A	39.2	N/A	1.4
PWON	515	510	585	Overweight	13.6	25.0	24.8	27.2x	1.6x	6.2	N/A	24.6	(3.7)	1.5
Energy							476.5							
PGAS	1,475	1,655	2,030	Buy	37.6	40.5	35.8	N/A	1.0x	(1.3)	N/A	4.8	437.1	1.8
PTBA	2,640	2,810	3,420	Buy	29.5	36.4	30.4	5.4x	1.5x	29.2	2.8	50.8	174.8	1.1
ITMG	22,300	13,850	16,250	Sell	(27.1)	169.5	25.2	13.3x	1.9x	14.3	2.1	3.6	266.7	1.2
ADRO	1,675	1,430	1,840	Overweight	9.9	50.9	53.6	23.2x	1.0x	4.3	4.0	14.7	9.5	1.4
Industrial							396.0							
UNTR	22,325	26,600	25,500	Overweight	14.2	8.4	83.3	9.8x	1.3x	13.4	3.6	24.4	46.5	0.9
ASII	5,975	6,025	6,000	Hold	0.4	10.6	241.9	14.1x	1.5x	10.6	2.2	28.4	6.6	1.2
Basic Ind.							822.5							
SMGR	9,475	12,425	12,275	Buy	29.6	3.8	56.2	21.3x	1.6x	7.8	2.0	(1.1)	(10.0)	1.3
INTP	12,100	14,475	14,225	Buy	17.6	0.8	44.5	23.2x	2.0x	8.3	6.0	8.0	24.8	1.2
INCO	4,770	5,100	5,500	Buy	15.3	16.6	47.4	25.7x	1.6x	6.3	1.0	20.2	55.0	1.6
ANTM	2,320	1,935	3,270	Buy	40.9	110.0	55.8	25.1x	2.8x	11.7	0.7	87.0	N/A	1.8

*** Target Price**

Source: Bloomberg, NHKSI Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	19:30	Personal Income	Sept.	-1.0%	-0.3%	0.2%
29 - Oct.	US	19:30	Personal Spending	Sept.	0.6%	0.6%	0.8%
	US	20:45	MNI Chicago PMI	Oct.	68.4	63.7	64.7
	US	21:00	U. Of Mich. Sentiment	Oct.	71.7	71.4	71.4
Monday	ID	07:30	Markit Indonesia PMI Mfg	Oct.	57.2	—	52.2
1 - Nov.	CH	08:45	Caixin China PMI Mfg	Oct.	50.6	50.0	50.0
	ID	11:00	CPI YoY	Oct.	1.66%	1.65%	1.60%
	US	21:00	ISM Manufacturing	Oct	60.8	60.5	61.1
Tuesday	—	—	—	—	—	—	—
2 - Nov.	—	—	—	—	—	—	—
Wednesday	US	18:00	MBA Mortgage Applications	Oct.	-3.3%	—	0.3%
3 - Nov.	US	19:15	ADP Employment Change	Oct.	571k	400k	568k
	US	21:00	Factory Orders	Sept.	0.2%	0.1%	1.2%
	US	21:00	Durable Goods Orders	Sept.	-0.3%	-0.4%	-0.4%
Thursday	US	01:00	FOMC Rate Decision (Upper)	Nov.		0.25%	0.25%
4 - Nov.	UK	19:00	Bank of England Bank Rate	Nov.		0.175%	0.100%
	US	19:30	Initial Jobless Claims	Oct.		275k	281k
	US	19:30	Trade Balance	Sept.		-$80.2Bn	-$73.3Bn
Friday	ID	10:00	Foreign Reserves	Oct.		—	$146.90Bn
5 - Nov.	ID	11:00	GDP YoY	Oct.		3.81%	7.07%
	ID	11:00	GDP QoQ	Oct.		1.80%	3.31%
	US	19:30	Unemployment Rate	Oct.		4.7%	4.8%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	UNVR, SDPC
1 - Nov.	Cum Dividend	—
Tuesday	RUPS	FIMP, ANJT, AMOR
2 - Nov.	Cum Dividend	DVLA
Wednesday	RUPS	PNBS, DADA
3 - Nov.	Cum Dividend	—
Thursday	RUPS	TBLA, ENVY, BUDI
4 - Nov.	Cum Dividend	XCIS, XCID, KKGI
Friday	RUPS	UNSP, MDLN
5 - Nov.	Cum Dividend	—

Source: Bloomberg

JAKARTA COMPOSITE INDEX

PREVIOUS 3 NOVEMBER 2021

INDEX	6552.13 (+0.91%)
TRANSACTIONS	10.8 TRILLION
NETT FOREIGN	158 BILLION (BUY)

PREDICTION 4 NOVEMBER 2021

DOWNWARD

6480-8574

WHITE CANDLE

MACD NEGATIF

STOCHASTIC OVERSOLD

PRDA—PT PRODIA WIDYAHUSADA TBK

PREVIOUS 3 NOVEMBER 2021

CLOSING 7150(+19,67%)

PREDICTIONS 4 NOVEMBER 2021

BUY

TARGET PRICE	7650
STOPLOSS	7075

LONG WHITE CROSSING MARUBOZZU

MACD NEGATIF MENGECIL

STOCHASTIC GOLDEN CROSS

CTRA—PT CIPUTRA DEVELOPMENT TBK

PREVIOUS 3 NOVEMBER 2021

CLOSING 1085 (+4.33%)

PREDICTIONS 4 NOVEMBER 2021

BUY

TARGET PRICE	1190
STOPLOSS	1080

BULLISH ENGULFING

MACD NEGATIF MENGECIL

STOCHASTIC GOLDEN CROSS

LPPF—PT MATAHARI DEPARTEMENT STORE TBK

PREVIOUS 3 NOVEMBER 2021

CLOSING 3400 (+9.68%)

PREDICTIONS 4 NOVEMBER 2021

ACCUM BUY

TARGET PRICE 3700

STOPLOSS 3350

BREAK OUT SYMETRICAL TRIANGLE

MACD POSITIF

STOCHASTIC GOLDEN CROSS

BUKA—PT BUKALAPAK.COM TBK

PREVIOUS 3 NOVEMBER 2021

CLOSING 695 (+4.51%)

PREDICTIONS 4 NOVEMBER 2021

BUY

TARGET PRICE 745

STOPLOSS 685

MONING STAR

MACD NEGATIF MENGECIL

STOCHASTIC GOLDEN CROSS

WMUU—PT WIDODO MAKMUR UNGGAS TBK

PREVIOUS 3 NOVEMBER 2021

CLOSING 200 (+9.29%)

PREDICTIONS 4 NOVEMBER 2021

BUY

TARGET PRICE 226

STOPLOSS 195

BREAK OUT TRIANGLE
MACD POSITIF

STOCHASTIC OUPTREND

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