

Weekly Brief (Jun. 27 – Jul. 1, 2022)

Summary:

Last week review:

BI 7 DRRR at 3.50%, Maintaining 2Q22 GDP. Other than low May CPI at 2.58% YoY (Vs. BI's target of 3+/-1%), NHKSI Research sees that BI 7DRRR was maintained at 3.50% to maintain the growth momentum of 2Q22 GDP, as capital outflow is still under control. Meanwhile, May forex reserves was at USD 135.6 billion, making room for BI intervention to rupiah which is closing in on IDR14,900/USD. Last week, JCI closed higher by 1.5% to 7.042. Consumer Non-Cyclicals, which are resilient to high inflation, lead sectoral strengthening by 5.7%. Then, followed by infrastructure that went up 3.3%, as basic infrastructure development for IKN Nusantara begins. The movement of the JCI is in line with the strengthening of the SUN market ahead of the end of the government's Front Loading Strategy for the 1H22 period, and the Fed's commitment to Hawkish stance in front of Congress.

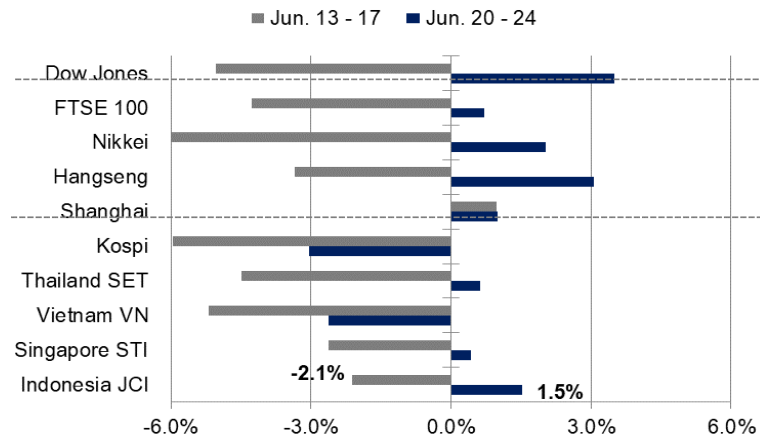
This week's outlook:

Negative Real Interest Rate to Form in July. In addition to the Statutory Reserves which rose to 7%, NHKSI Research sees BI needs to raise the BI 7DRRR by a moderate level of 25 bps in July, anticipating ahead of the curve, amid the potential for higher inflation in 3Q22. The BI 7DRRR and FFR disparity narrowed to 175-200 bps, making domestic interest rates less attractive. With inflation in June expected to reach 4% YoY and BI 7DRRR still at 3.50%, a negative real interest rate will be formed. Similar to how the US inflation is up to 8.6% YoY, but FFR at only 1.50%-1.75%. Entering the 3Q22 period, we project the JCI in the range of 6,850 – 7,200 this week.

JCI Index	: 7,042.93 (+1.5%)
Foreign Flow	: Net sell of IDR 4.2 trillion (Vs. last week's net sell of IDR 1.4 trillion)
USD/IDR	: 14,848 (+0.2%)

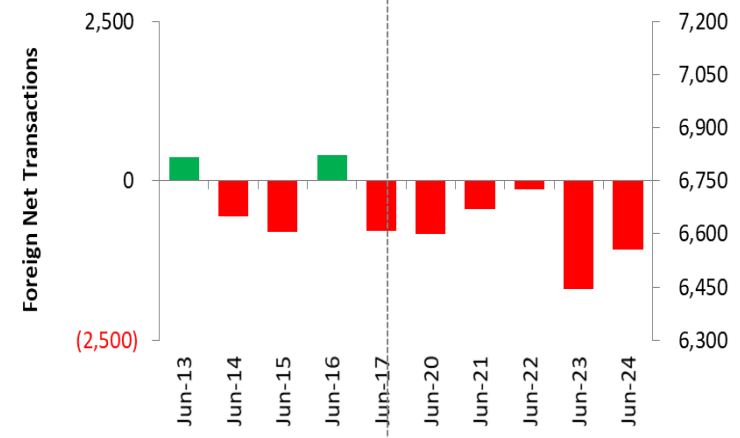
Last Week's JCI Movement

Global Market Movement



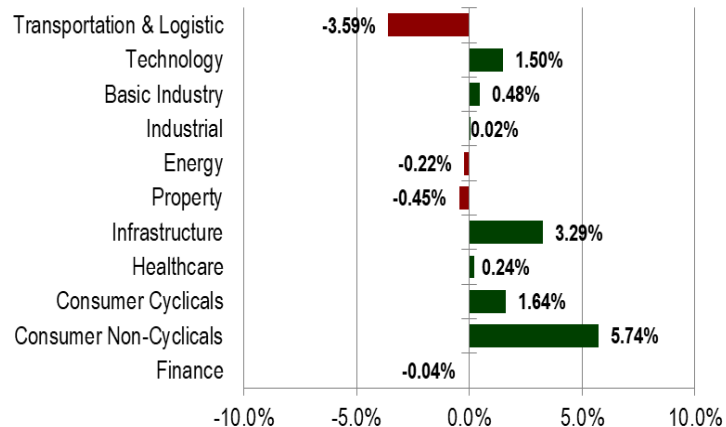
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



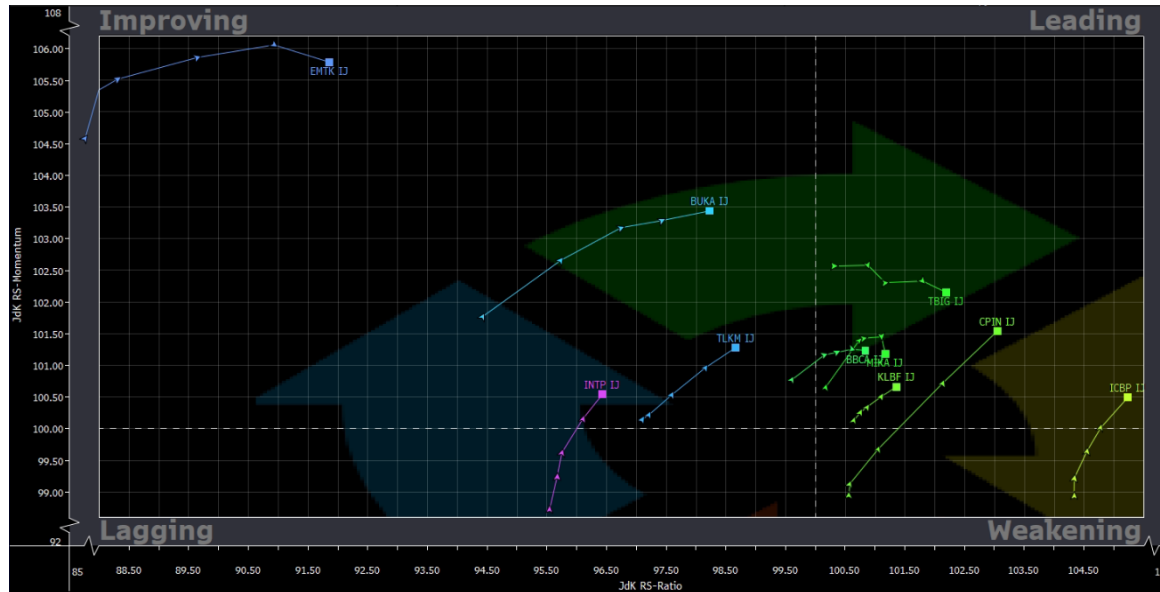
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
ADMR	153,500	MDKA	655,512
UNTR	145,831	BBRI	302,602
BBCA	139,033	ITMG	187,473
UNVR	121,985	ADRO	176,881
HRUM	95,839	TLKM	160,874

Source: Bloomberg, NHKSI Research

Stocks Recommendation



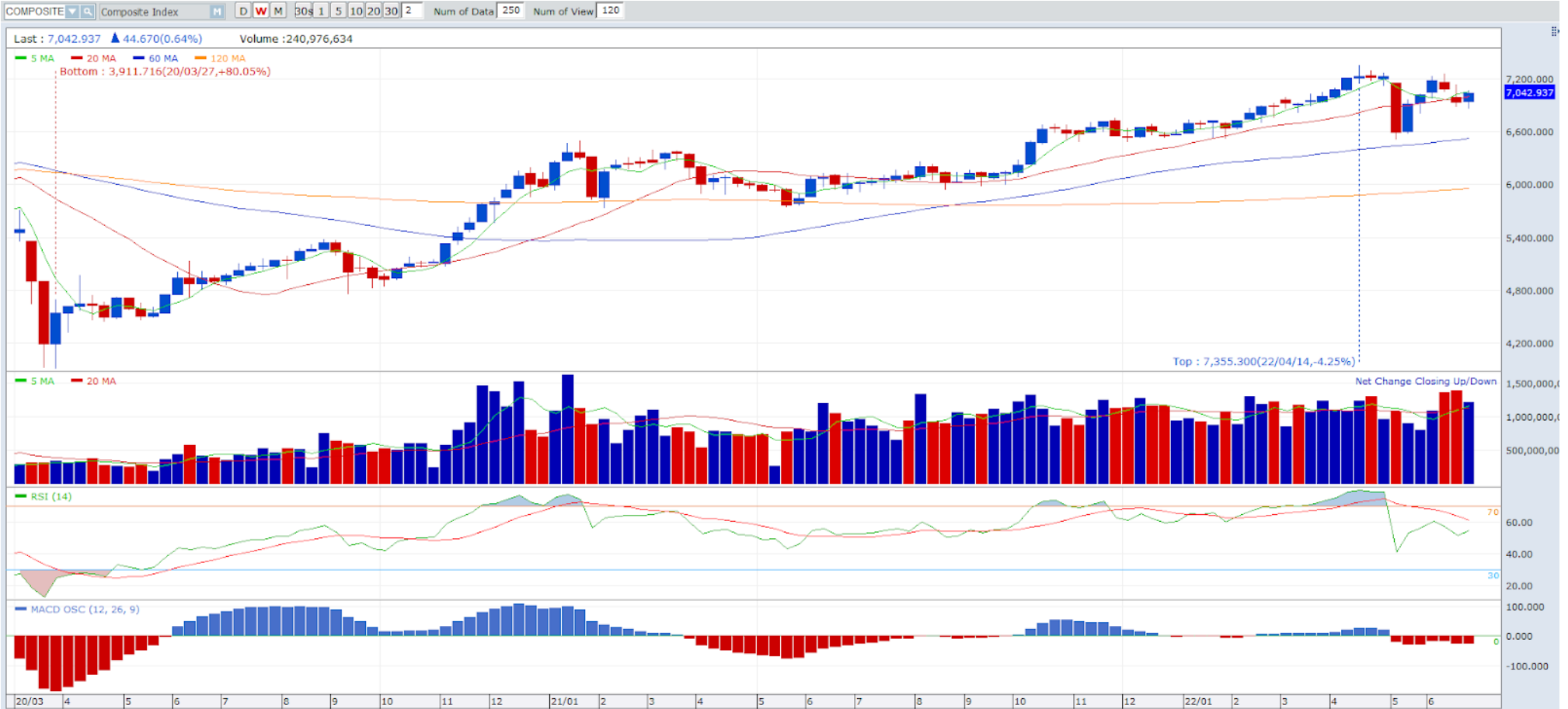
Source: Bloomberg, NHKSI Research

Stocks	TP	SL
BBCA	7,400	7,750
BUKA	282	302
CPIN	5,700	6,000
EMTK	1,650	1,760
ICBP	9,350	10,000
INTP	9,700	10,600
KLBF	1,700	1,800
MIKA	2,600	2,910
TBIG	2,880	2,970
TLKM	4,100	4,260

Source: Bloomberg, NHKSI Research

JCI Index

Support 6,850 **Resistance** 7,200



Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 27-June.	US	19:30	Durable Goods Orders	May	0.1%	0.5%
	US	19:30	Pending Home Sales MoM	May	-3.5%	-3.9%
Tuesday, 28-June.	US	19:30	Wholesale Inventories MoM	May	--	2.2%
	US	21:00	Conf. Board Consumer Confidence	Jun.	100.0	106.4
Wednesday, 29-June.	US	18:00	MBA Mortgage Applications	Jun.	--	4.2%
	US	19:30	GDP Annualized QoQ	1Q22	-1.4%	-1.5%
	US	19:30	Personal Consumption	1Q22	--	3.1%
	US	19:30	GDP Price Index	1Q22	8.1%	8.1%
Thursday, 30-June.	US	19:30	Initial Jobless Claims	Jun.	--	229k
	US	19:30	PCE Deflator MoM	May	0.7%	0.2%
	US	19:30	PCE Deflator YoY	May	--	6.3%
	US	19:30	PCE Core Deflator MoM	May	0.5%	0.3%
Friday, 1-July.	ID	07:30	S&P Global Indonesia PMI Mfg.	Jun.	--	50.8
	ID	11:00	CPI YoY	Jun.	4.14%	3.55%
	ID	11:00	CPI MoM	Jun.	0.40%	0.40%
	ID	11:00	CPI Core YoY	Jun.	2.70%	2.58%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday, 27-June.	RUPS	WSBP, WIIM, ROTI, PBRX, OASA, MARI, APLN, ADMG, ABBA
	Cum Dividend	GGRP, DPNS
Tuesday, 28-June.	RUPS	UNIC, SKRN, SKBM, PTPW, PSGO, PORT, MYOR, ISAT, GOTO, GDYR, FAPA, DVLA, CSRA, CITY, BSWD, BPTR, ADCP
	Cum Dividend	MDKI, GLVA
Wednesday, 29-June.	RUPS	TAYS, SNLK, SMDR, SEMA, SCMA, RELI, PURI, PNBS, NANO, MAYA, MAIN, KEEN, JTPE, INDS, EMTK, DOID, CARS, BPII, BFIN, BACA, ASRI, ASMI, AMAG
	Cum Dividend	SGER
Thursday, 30-June.	RUPS	TRJA, TELE, TBLA, SOHO, SMDM, SICO, PNSE, PNLF, PNIN, PMJS, PGUN, MPOW, LUCY, LPGI, KKGI, ISSP, IPCC, INPP, GGRM, GEMA, FAST, ENAK, DEWA, CITA, BUDI, BRMS, BLTZ, BINO
	Cum Dividend	--
Friday, 1-July.	RUPS	STTP, MTLA, MGLV, MDLN, LAPD, BMSR, BALI, BAJA
	Cum Dividend	--

Source: NHKSI Research

NH KSI Stocks 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							3,166.1							
BBCA	7,475	7,300	9,000	Buy	20.4	20.4	921.5	28.4x	4.7x	17.4	1.9	3.9	13.6	0.9
BBRI	4,340	4,110	5,500	Buy	26.7	11.5	657.8	15.9x	2.4x	15.7	4.0	3.9	30.3	1.3
BBNI	8,150	6,750	10,700	Buy	31.3	69.1	152.0	12.2x	1.2x	10.4	1.8	2.7	66.2	1.4
BMRI	8,300	7,025	9,800	Buy	18.1	38.9	387.3	12.0x	2.0x	17.1	4.3	5.8	69.5	1.1
Consumer Non-Cyclicals							1,143.2							
ICBP	9,425	8,700	9,400	Hold	(0.3)	17.4	109.9	16.7x	3.0x	19.5	2.3	13.9	11.4	0.5
UNVR	4,990	4,110	5,700	Overweight	14.2	0.6	190.4	31.3x	29.8x	94.0	3.0	5.4	17.8	0.5
GGRM	31,175	30,600	32,700	Hold	4.9	(18.5)	60.0	12.2x	1.0x	8.2	8.3	(1.5)	(38.3)	0.8
HMSP	1,005	965	1,000	Hold	(0.5)	(10.7)	116.9	18.2x	3.8x	20.2	6.3	11.0	(27.3)	0.9
CPIN	5,750	5,950	5,600	Hold	(2.6)	(6.5)	94.3	28.0x	3.6x	13.1	1.9	15.2	(18.0)	0.8
AALI	9,800	9,500	14,900	Buy	52.0	28.1	18.9	8.2x	0.9x	11.4	4.7	30.7	197.6	0.9
Consumer Cyclicals							395.5							
ERAA	530	600	640	Buy	20.8	(21.5)	8.5	8.1x	1.3x	17.0	2.6	5.8	11.8	0.7
MAPI	915	710	1,100	Buy	20.2	28.9	15.2	16.4x	2.4x	15.7	N/A	30.6	1450.0	1.0
Healthcare							261.5							
KLBF	1,710	1,615	1,800	Overweight	5.3	24.8	80.2	24.3x	4.0x	17.1	2.0	16.6	16.7	0.6
SIDO	990	865	1,100	Overweight	11.1	34.8	29.7	23.0x	9.6x	42.8	3.8	11.0	9.6	0.4
MIKA	2,620	2,260	2,700	Hold	3.1	(4.7)	37.3	31.4x	7.1x	22.7	1.4	(9.2)	(13.8)	0.2
Infrastructure							888.39							
TLKM	4,150	4,040	4,940	Buy	19.0	27.7	411.1	16.5x	3.2x	21.0	3.6	3.7	1.7	1.0
JSMR	3,700	3,890	5,100	Buy	37.8	2.2	26.9	14.5x	1.3x	9.2	N/A	5.0	142.7	1.0
EXCL	2,630	3,170	3,800	Buy	44.5	(3.7)	28.2	25.4x	1.4x	5.6	1.9	7.9	(56.7)	0.9
TOWR	990	1,125	1,520	Buy	53.5	(20.5)	50.5	14.1x	3.8x	29.4	2.4	33.9	6.3	0.5
TBIG	2,890	2,950	3,240	Overweight	12.1	(9.1)	65.5	36.5x	6.5x	17.9	1.2	15.4	62.0	0.3
WIKA	975	1,105	1,280	Buy	31.3	(3.9)	8.7	74.3x	0.7x	0.9	N/A	7.7	(36.7)	1.4
PTPP	960	990	1,700	Buy	77.1	2.7	6.0	23.0x	0.5x	2.4	N/A	50.8	(16.7)	1.6

Source : Bloomberg, NH KSI Research

NHKSI Stocks Coverage

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Property & Real Estate							216.2							
CTRA	885	970	1,500	Buy	69.5	(3.8)	16.4	8.6x	0.9x	11.6	1.0	20.7	76.9	1.3
PWON	496	464	690	Buy	39.1	9.7	23.9	15.7x	1.5x	9.7	N/A	17.1	56.8	1.3
Energy							836.6							
PGAS	1,700	1,375	1,770	Hold	4.1	66.7	41.2	7.6x	1.0x	14.6	7.3	14.2	96.9	1.4
PTBA	4,090	2,710	4,900	Buy	19.8	101.5	47.1	4.8x	1.8x	44.3	16.8	105.4	342.4	1.0
ADRO	2,970	2,250	3,900	Buy	31.3	138.6	95.0	5.0x	1.4x	30.0	10.1	77.0	472.3	1.0
Industrial							469.6							
UNTR	29,275	22,150	32,000	Overweight	9.3	37.4	109.2	8.6x	1.5x	18.5	4.2	56.3	131.6	0.8
ASII	6,675	5,700	8,000	Buy	19.9	35.1	270.2	11.6x	1.5x	13.7	3.6	39.0	83.7	1.0
Basic Ind.							943.3							
SMGR	7,625	7,250	9,500	Buy	24.6	(21.6)	45.2	21.9x	1.3x	6.0	2.3	0.7	10.5	1.1
INTP	9,775	12,100	12,700	Buy	29.9	(11.1)	36.0	22.0x	1.7x	7.5	10.2	3.5	(45.7)	1.1
INCO	6,300	4,680	8,200	Buy	30.2	44.8	62.6	21.1x	1.9x	9.3	0.7	13.8	100.0	1.3
ANTM	1,970	2,250	3,450	Buy	75.1	(12.4)	47.3	17.6x	2.1x	12.8	2.0	5.8	132.5	1.9

Source : Bloomberg, NHKSI Research

PT NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Senior Technical Analyst

Dimas Wahyu Putra P

Technical

T +62 21 5088 ext 9128

E dimas.wahyu@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Cindy Alicia

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Research Support

Jasmine Kusumawardani

Editor & Translator

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

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PT NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A,
SCBD Lot.28
Jl. Jendral Sudirman Kav. 52-53 Jakarta
Selatan 12190
Telp : +62 21 50889100
Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan:

Jl. Timor No. 147
Medan
Sumatera Utara 20234
Indonesia
Telp : +62 61 4156500
Fax : +62 61 4568560

Branch Office Semarang:

Jl. MH Thamrin No. 152
Semarang
Jawa Tengah 50314
Indonesia
Telp : +62 24 8446878
Fax : +62 24 8446879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81
Blok A No.02, Lt 1
Jakarta Utara 14440
Indonesia
Telp : +62 21 6667 4959
Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square
Jl. Jend. Sudirman Blok A No.7
Pekanbaru
Indonesia
Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05
Jl. Mayjen Yono Suwoyo
Surabaya 60226
Indonesia
Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A
Makassar
Indonesia
Telp : +62 411 361 5255

Branch Office Bandung:

Paskal Hypersquare Blok A1
Jl. Pasirkaliki No 25-27
Bandung 40181
Indonesia
Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9
Jl. Cok Agung Tresna
Denpasar
Indonesia