

Morning Brief

Daily | July. 19, 2022

JCI Movement



Today's Outlook:

Slowing Loan Growth and Loan Quality in Banking Outlook. Wall Street was lower at the beginning of the week, with the S&P500 and Nasdaq down 0.8%; Dow Jones down 0.7%. Investors are watching the 2Q22 Banking disbursement of Corporate Loan, which is higher, but to cover the increase in costs due to soaring inflation, may affect Loan Quality. Banks also face the risk of a slowdown in Loan Growth, if the economic outlook worsens. In order to support the Bottom Lines, the Banks focused on increasing Net Interest Income, taking advantage of the increase in FFR. Analysts have even projected a high Net Interest Income increase, and exceeded expectations. Currently, banks are benefiting from the increase in the Lending Rate which is faster than the Deposit Rate. The high liquidity during the pandemic has also enabled banks to maintain their Cost of Funds.

Consumer Non-Cyclicals and Finance lead sectoral gains, ahead of a number of Earning Results next week. Earlier in the week, the JCI had touched a high of 6,702 before finally closing slightly higher 7 points to a level of 6,659. Yesterday's JCI movement was also influenced by pressure from one of the large-cap Technology stocks which had recorded a low auto reject. Meanwhile, investors observed a number of Consumer Non-Cyclicals stocks which were relatively resilient to the potential for rising inflation, making this sector closed up more than 1%. Investors are also keeping a close eye on a number of shares of the Big Four Bank, ahead of the Earning Results and after the increase in Statutory Reserves. In the midst of a number of sentiments, NHKSI Research projects the JCI to move upward in the range of 6,600-6,800.

Company News

- AALI : CPO Production Down 16.9%
- INTP : Gets Coal Supply
- TOTL : Gains New Contract IDR618.9 Billion

Domestic & Global News

- BI Improves Forex Market Regulations
- US Banks Boost outlook for NII

Sectors

	Last	Chg.	%
Consumer Non-Cyclicals	711.33	8.90	1.27%
Finance	1,423.42	15.62	1.11%
Property	662.62	4.22	0.64%
Infrastructure	956.27	3.68	0.39%
Transportation & Logistic	1,932.41	3.26	0.17%
Basic Material	1,216.13	0.99	0.08%
Industrial	1,180.29	0.33	0.03%
Healthcare	1,521.29	-4.60	-0.30%
Consumer Cyclicals	862.68	-3.04	-0.35%
Energy	1,615.19	-11.20	-0.69%
Technology	7,548.04	-87.81	-1.15%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	5.01%	3.51%
FX Reserve (USD bn)	136.40	135.60	Current Acc (USD bn)	0.20	4.97
Trd Balance (USD bn)	5.09	2.90	Govt. Spending Yoy	-7.74%	5.25%
Exports Yoy	40.68%	27.00%	FDI (USD bn)	5.67	4.70
Imports Yoy	21.98%	30.74%	Business Confidence	104.82	105.33
Inflation Yoy	4.35%	3.55%	Cons. Confidence*	128.20	113.10

JCI Index

July 18	6,659.25
Chg.	7.35 pts (+0.11%)
Volume (bn shares)	10.15
Value (IDR tn)	11.49
Up 247 Down 226 Unchanged 175	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBRI	556.6	BEBS	289.9
BMRI	554.9	ARTO	240.2
BBCA	426.5	ANTM	215.6
GOTO	375.5	ADMR	211.3
TLKM	347.1	CARE	204.6

Foreign Transaction

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBRI	556.6	BEBS	289.9
BMRI	554.9	ARTO	240.2
BBCA	426.5	ANTM	215.6
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(IDR bn)			
Foreign Transaction			
	Val.		Val.
Buy	2,886		
Sell	3,434		
Net Buy (Sell)			(548)
Top Buy	NB Val.	Top Sell	NS Val.
ADMR	35.8	BBRI	183.7
AMRT	33.3	BMRI	150.5
BEBS	33.0	BBCA	102.2
ADRO	30.1	ANTM	33.0
TLKM	20.7	MDKA	29.9

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.38%	-0.01%
USDIDR	14,982	-0.07%
KRWIDR	11.37	0.57%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,072.61	(215.65)	-0.69%
S&P 500	3,830.85	(32.31)	-0.84%
FTSE 100	7,223.24	64.23	0.90%
DAX	12,959.81	95.09	0.74%
Nikkei	26,788.47	0.00	0.00%
Hang Seng	20,846.18	548.46	2.70%
Shanghai	3,278.10	50.04	1.55%
Kospi	2,375.25	44.27	1.90%
EIDO	21.64	0.02	0.09%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,709.2	1.1	0.06%
Crude Oil (\$/bbl)	102.60	5.01	5.13%
Coal (\$/ton)	396.05	(10.50)	-2.58%
Nickel LME (\$/MT)	20,652	1267.0	6.54%
Tin LME (\$/MT)	24,719	(131.0)	-0.53%
CPO (MYR/Ton)	3,945	316.0	8.71%

AALI : CPO Production Down 16.9%

PT Astra Agro Lestari Tbk (AALI) recorded a 16.9% decline in CPO production to 510 thousand tons in 5M22. This decrease was accompanied by a 13.4% decrease in processed FFB (fresh fruit bunches) as a result of the continued decline in plant productivity due to the extended dry season that occurred in 2019. (Kontan)

NETV : Gets Coal Supply

PT Indocement Tunggul Prakarsa Tbk (INTP) managed to secure several coal deals with better prices, although the prices obtained were still above the DMO policy price. The company did not specify how much coal it managed to obtain. However, until now, INTP is still trying to get a coal purchase price that is close to the DMO price. (Kontan)

TOTL : Gains New Contract IDR618.9 Billion

PT Total Bangun Persada Tbk (TOTL) won a new contract of IDR618.9 billion until the beginning of July 2022. The company is still trying to meet the target of a new contract of IDR2 trillion in 2022. The contract value that was achieved came from the construction of Office Buildings, Shopping Centers, Education, Mixed Use, and Hotels. (Kontan)

Domestic & Global News

BI Improves Forex Market Regulations

Bank Indonesia refined the provisions regarding the foreign exchange market by issuing Bank Indonesia Regulation (PBI) Number 24/7/PBI/2022 concerning Transactions in the Foreign Exchange Market. BI stated that the regulation was intended to respond to the dynamics of the global and domestic economy and to achieve ideal forex market conditions. To that end, BI issues an integrated regulation through the merging of provisions in the foreign exchange market into one that regulates the principles, flexibility of market participants and encourages optimal supply or demand for foreign exchange. (Kontan)

US Banks Boost outlook for NII

Big US banks say net interest income, a key source of revenue, will continue to grow this year as interest rates rise, helping to buffer their bottom lines against declines in other key areas of the business. Investors and analysts have been closely tracking banks' net interest income, or NII, money banks earn from loans and securities above their costs of funds. The income stream has been rising as the US Federal Reserve has hiked interest rates to cool soaring inflation. Analysts had been predicting the NII increases would be the biggest in years and they have generally come in above expectations. (Reuters)

	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							3,039.9							
BBCA	7,150	7,300	9,000	Buy	25.9	19.1	881.4	27.2x	4.5x	17.4	2.0	3.9	13.6	0.9
BBRI	4,140	4,110	5,500	Buy	32.9	12.3	627.5	15.1x	2.3x	15.7	4.2	3.9	30.3	1.3
BBNI	7,325	6,750	10,700	Buy	46.1	52.0	136.6	10.9x	1.1x	10.4	2.0	2.7	66.2	1.4
BMRI	7,350	7,025	9,800	Buy	33.3	27.8	343.0	10.7x	1.8x	17.1	4.9	5.8	69.5	1.2
Consumer Non-Cyclicals							1,137.2							
ICBP	9,500	8,700	10,400	Overweight	9.5	11.8	110.8	16.8x	3.1x	19.5	2.3	13.9	11.4	0.5
UNVR	4,980	4,110	5,700	Overweight	14.5	(1.9)	190.0	31.2x	29.8x	94.0	3.0	5.4	17.8	0.5
GGRM	29,500	30,600	32,700	Overweight	10.8	(21.1)	56.8	11.5x	0.9x	8.2	7.6	(1.5)	(38.3)	0.8
HMSP	960	965	1,000	Hold	4.2	(13.5)	111.7	17.4x	3.6x	20.2	6.6	11.0	(27.3)	0.9
CPIN	5,750	5,950	5,600	Hold	(2.6)	(10.9)	94.3	28.0x	3.6x	13.1	1.9	15.2	(18.0)	0.8
AALI	9,400	9,500	14,900	Buy	58.5	19.0	18.1	7.9x	0.9x	11.4	4.9	30.7	197.6	0.9
Consumer Cyclicals							376.9							
ERAA	494	600	640	Buy	29.6	(14.8)	7.9	7.6x	1.2x	17.0	4.6	5.8	11.8	0.7
MAPI	880	710	1,100	Buy	25.0	39.7	14.6	15.7x	2.3x	15.7	N/A	30.6	1450.0	1.0
Healthcare							259.9							
KLBF	1,655	1,615	1,800	Overweight	8.8	19.1	77.6	23.5x	3.8x	17.1	2.1	16.6	16.7	0.6
SIDO	960	865	1,100	Overweight	14.6	27.3	28.8	22.3x	9.3x	42.8	3.9	11.0	9.6	0.4
MIKA	2,750	2,260	3,000	Overweight	9.1	1.5	39.2	33.0x	7.4x	22.7	1.3	(9.2)	(13.8)	0.2
Infrastructure							890.79							
TLKM	4,190	4,040	4,940	Buy	17.9	30.1	415.1	16.7x	3.2x	21.0	3.6	3.7	1.7	1.0
JSMR	3,520	3,890	5,100	Buy	44.9	(2.8)	25.5	13.8x	1.2x	9.2	N/A	5.0	142.7	1.0
EXCL	2,340	3,170	3,800	Buy	62.4	(5.3)	25.1	22.6x	1.2x	5.6	2.2	7.9	(56.7)	0.9
TOWR	1,150	1,125	1,520	Buy	32.2	(14.8)	58.7	16.4x	4.4x	29.4	2.1	33.9	6.3	0.4
TBIG	2,980	2,950	3,240	Overweight	8.7	(6.9)	67.5	37.6x	6.7x	17.9	1.2	15.4	62.0	0.3
WIKA	910	1,105	1,280	Buy	40.7	(7.6)	8.2	199.8x	0.6x	0.3	N/A	(19.4)	(98.3)	1.4
PTPP	885	990	1,700	Buy	92.1	5.4	5.5	21.2x	0.5x	2.4	N/A	50.8	(16.7)	1.5
Property & Real Estate							217.3							
CTRA	860	970	1,500	Buy	74.4	(7.5)	16.0	8.3x	0.9x	11.6	1.0	20.7	76.9	1.3
PWON	430	464	690	Buy	60.5	6.4	20.7	13.7x	1.3x	9.7	0.9	17.1	56.8	1.3
Energy							812.5							
PGAS	1,565	1,375	1,770	Overweight	13.1	56.5	37.9	7.0x	1.0x	14.6	8.0	14.2	96.9	1.4
PTBA	3,890	2,710	4,900	Buy	26.0	81.8	44.8	4.6x	1.7x	44.3	17.7	105.4	342.4	1.1
ADRO	2,790	2,250	3,900	Buy	39.8	123.2	89.2	4.7x	1.3x	30.0	10.8	77.0	472.3	1.0
Industrial							434.1							
UNTR	28,850	22,150	32,000	Overweight	10.9	51.0	107.6	8.5x	1.5x	18.5	4.3	56.3	131.6	0.8
ASII	6,025	5,700	8,000	Buy	32.8	26.0	243.9	10.5x	1.4x	13.7	4.0	39.0	83.7	1.0
Basic Ind.							901.4							
SMGR	6,500	7,250	9,500	Buy	46.2	(24.4)	38.6	18.6x	1.1x	6.0	2.7	0.7	10.5	1.1
INTP	9,275	12,100	12,700	Buy	36.9	(9.1)	34.1	20.9x	1.6x	7.5	5.4	3.5	(45.7)	1.1
INCO	4,880	4,680	8,200	Buy	68.0	(8.8)	48.5	16.2x	1.5x	9.3	N/A	13.8	100.0	1.4
ANTM	1,560	2,250	3,450	Buy	121.2	(40.9)	37.5	13.9x	1.7x	12.8	2.5	5.8	132.5	1.9

* Target Price

Source: Bloomberg, NHKS Research

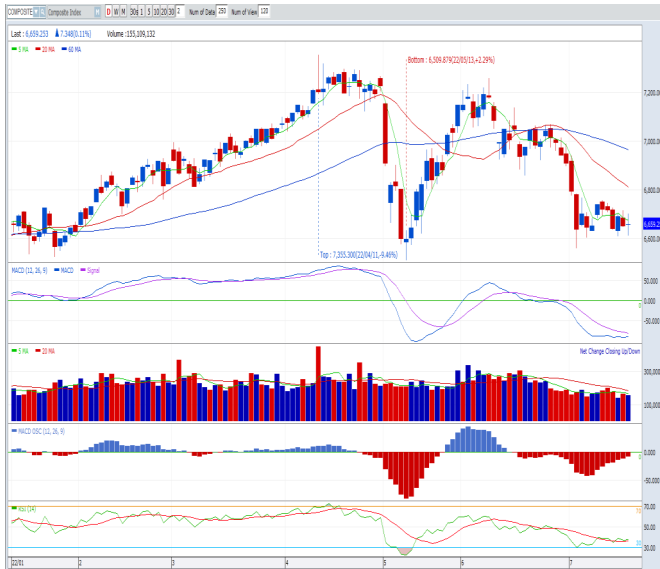
Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	—	—	—	—	—	—	—
18 - July	—	—	—	—	—	—	—
Tuesday	EC	16:00	CPI YoY	Jun.		8.6%	8.1%
19 - July	EC	16:00	CPI MoM	Jun.		0.8%	0.8%
	US	19:30	Housing Starts	Jun.		1,590K	1,549K
	US	19:30	Building Permits	Jun.		1.666K	1,695K
Wednesday	GE	13:00	PPI YoY	Jun.		33.1%	33.6%
20 - July	US	18:00	MBA Mortgage Applications	Jul.		--	-1.7%
	US	21:00	Existing Home Sales	Jun.		5.40Mn	5.41Mn
	US	21:00	Existing Home Sales	Jun.		-0.2%	-3.4%
Thursday	ID	--	Bank Indonesia 7D Reverse Repo Rate	Jul.		3.50%	3.50%
21 - July	JP	06:50	Exports YoY	Jun.		17.2%	15.8%
	US	19:30	Initial Jobless Claims	Jul.		--	244K
	US	19:30	Continuing Claims	Jul.		--	1,331K
Friday	US	20:45	S&P Global US Manufacturing PMI	Jul.		51.0	52.7
22 - July	US	20:45	S&P Global US Services PMI	Jul.		52.0	52.7
	US	20:45	S&P Global US Composite PMI	Jul.		--	52.3

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	YELO, TRIN, KIOS, KAYU, INAI, BOGA, BMAS, ALMI
18 - July	Cum Dividend	ASBI
Tuesday	RUPS	TAMU, MSIN, INOV, ESIP, DNET, CLPI, ARII
19 - July	Cum Dividend	--
Wednesday	RUPS	TECH, TAXI, SHIP, RMKE, REAL, PYFA, LEAD, JAST, IKAN, ENRG, ELSA, DILD, DGNS, CPRO, CLAY, BIKE, BCAP, BAPA, BABP, ALTO
20 - July	Cum Dividend	--
Thursday	RUPS	SRIL, SOCI, SMKM, SMKL, SIPD, SIMP, POLY, PLIN, OPMS, LSIP, INTD, IKAI, IBFN, HADE, ENZO, DFAM, CARS, BNBR, BMHS, BKSW, BIMA, BBYB, BATA, ASSA, ASPI, ARKA, APLI
21 - July	Cum Dividend	--
Friday	RUPS	YULE, YPAS, UNSP, STAR, SLIS, SBAT, PURA, PRAS, PCAR, NATO, MLBI, MKNT, MCOR, LPPS, KARW, JMAS, INDF, IIKP, ICBP, GAMA, EKAD, DKFT, CAMP, BOLA, BIKA, AGAR
22 - July	Cum Dividend	--

Source: Bloomberg



PREVIOUS 18 JULI 2022

INDEX 6659.25 (+0.11%)
 TRANSACTIONS 10.15 TRILLION
 NETT FOREIGN 548 BILLION (SELL)

PREDICTION 19 JULI 2022

UPWARD
 6600-6800

CANDLE DITUTUP CANDLE DOJI DI BAWAH MA5. TEKanan JUAL MULAI MEREDA TERLIHAT DARI INDIKATOR MACD HISTOGRAM MENUJU KE AREA POSITIF. VOLUME LEBIH RENDAH.

INCO—PT VALE INDONESIA TBK



PREVIOUS 18 JULI 2022

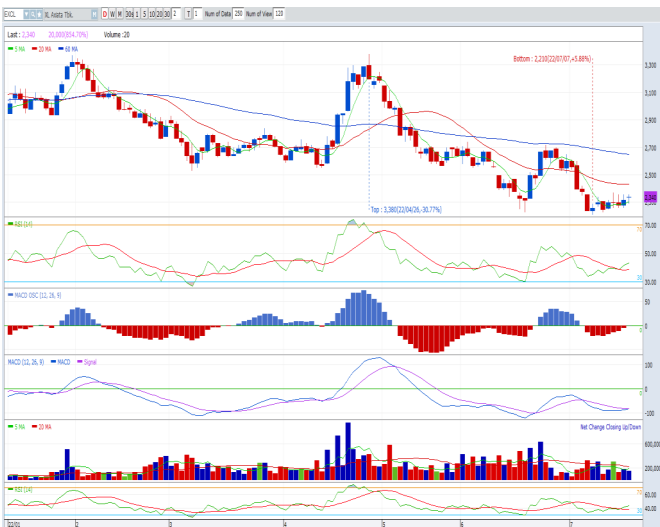
CLOSING 4880 (+2.31%)

PREDICTION 19 JULI 2022

BUY
 TARGET PRICE 5000
 STOPLOSS 4700

CANDLE DITUTUP DI BAWAH MA5. TEKanan JUAL MEREDA DILIHAT DARI INDIKATOR MACD HISTOGRAM. INDIKATOR MACD BERPOTENSI GOLDEN CROSS. RSI OVERSOLD.

EXCL—PT XL AXIATA TBK



PREVIOUS 18 JULI 2022

CLOSING 2340 (+0.86%)

PREDICTION 19 JULI 2022

BUY
 TARGET PRICE 2450
 STOPLOSS 2250

CANDLE DITUTUP CANDLE DOJI. TEKanan JUAL MULAI REDA DITUNJUKKAN OLEH INDIKATOR MACD HISTOGRAM. INDIKATOR MACD BERPOTENSI GOLDEN CROSS. VOLUME LEBIH RENDAH.

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