

Morning Brief

Daily | July. 20, 2022

JCI Movement



Today's Outlook:

Soaring mortgage rates put pressure on US properties, as credit purchases dominate. Property which is very sensitive to changes in interest rates weakened as the Fed's Hawkish. June 30-year mortgage rates were almost 6%, up from 3.3% at the start of the year. US Housing Starts data June MoM fell -2.0% (Surv. +2.0%), to as much as 1.6 Million units. House construction permits, Building Permits, June MoM fell -0.6% (Surv. -2.7%), indicating the property market is cooling down. Meanwhile, Wall Street gained significantly, with the Nasdaq going up more than 3%. Along with US Big Banks, a number of companies reported Earning Results that exceeded market expectations, amid fears of high inflation and the Strong Dollar potentially weakening the company's 2H22 performance.

The USD weakened ahead of the Fed's aggressive Hawkish at the end of July, along with fears of a potential US recession. The US Dollar Index DXY closed lower at 106.68 or away from its highest level of 108.54 last week. Yesterday, JCI was down 0.5% in early trading, before finally closing up 1.2% to 6,736. Meanwhile, Energy and Basic Materials led the sectoral gains, up by 3.4% each. As rupiah is stable around the IDR15,000/USD level and foreign flow is monitored, NHKSI Research project that the JCI will move upward in the range of 6,650-6,800, on the first day of the BI RDG this Wednesday. A number of parties project that BI will maintain the BI 7DRRR at the level of 3.50% and continue normalizing liquidity by increasing the reserve requirement to 9% in September.

Company News

TRIN : Targets IDR133 Billion from Rights Issue

CHEM : Expands to Cosmetics and F&B Segment

DGNS : Maximizes Batam Market Potential

Domestic & Global News

26 Export Services of CPO and Its Derivative Products Free of Charges

US Housing Starts Drop to Nine-Month Low

Sectors

	Last	Chg.	%
Energy	1,671.12	55.93	3.46%
Basic Material	1,257.64	41.51	3.41%
Technology	7,725.10	177.06	2.35%
Consumer Cyclical	876.92	14.24	1.65%
Property	672.07	9.45	1.43%
Infrastructure	968.70	12.43	1.30%
Transportation & Logistic	1,952.17	19.76	1.02%
Finance	1,436.08	12.66	0.89%
Industrial	1,187.87	7.58	0.64%
Consumer Non-Cyclicals	715.56	4.23	0.59%
Healthcare	1,527.46	6.17	0.41%

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 19 6,736.09

Chg. 76.84 pts (+1.15%)

Volume (bn shares) 19.76

Value (IDR tn) 11.19

Up 317 Down 158 Unchanged 173

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BBRI	506.9	ADRO	370.0
BMRI	477.6	MDKA	365.1
BBCA	426.3	ASII	309.0
GOTO	419.0	ADMR	267.4
TLKM	380.6	ANTM	260.6

Foreign Transaction

(IDR bn)

Buy 3,742

Sell 3,683

Net Buy (Sell) 59

Top Buy	NB Val.	Top Sell	NS Val.
ADRO	126.1	MDKA	176.4
ANTM	56.5	BBRI	175.8
GOTO	50.0	BBNI	38.5
BMRI	47.5	PGAS	31.7
HRUM	43.0	BBCA	30.0

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.46%	0.07%
USDIDR	14,978	-0.03%
KRWIDR	11.40	0.25%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,827.05	754.44	2.43%
S&P 500	3,936.69	105.84	2.76%
FTSE 100	7,296.28	73.04	1.01%
DAX	13,308.41	348.60	2.69%
Nikkei	26,961.68	173.21	0.65%
Hang Seng	20,661.06	(185.12)	-0.89%
Shanghai	3,279.43	1.33	0.04%
Kospi	2,370.97	(4.28)	-0.18%
EIDO	22.12	0.48	2.22%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,711.7	2.5	0.14%
Crude Oil (\$/bbl)	104.22	1.62	1.58%
Coal (\$/ton)	399.65	3.60	0.91%
Nickel LME (\$/MT)	20,596	(56.0)	-0.27%
Tin LME (\$/MT)	24,810	91.0	0.37%
CPO (MYR/Ton)	3,812	(133.0)	-3.37%

TRIN : Targets IDR133 Billion from Rights Issue

PT Perintis Trinita Properti Tbk (TRIN) plans to conduct a Rights Issue with a target of IDR 133.01 billion. The company revealed that of the target, IDR43.1 billion will be used for the acquisition of assets in the form of land in Labuan Bajo, IDR43.53 billion will be used for the acquisition of assets in the form of land in Lampung, and the rest will be used for payment of long-term debts to other affiliated parties. (Kontan)

CHEM : Expands to Cosmetics and F&B Segment

PT Chemstar Indonesia Tbk (CHEM) plans to expand its market to industries outside of textiles, to the cosmetic and F&B segments. In terms of performance, the Company is aiming for an optimistic target of 15% growth in revenue this year. In terms of profit, the Company targets a growth of around 14.3%. (Kontan)

DGNS : Maximizes Batam Market Potential

PT Diagnostics Laboratorium Utama Tbk (DGNS) continues to expand its business by opening independent branches in various cities. Recently, the Company expanded to Batam City, Riau Islands. The purpose is as a step to support and assist the government in the efforts to distribute health, and laboratories with advanced technology throughout Indonesia. (Kontan)

Domestic & Global News

26 Export Services of CPO and Its Derivative Products Free of Charges

The government exempts export levies on 26 types of services at the Public Service Agency (BLU) of the Palm Oil Plantation Fund Management Agency (BPDPS). This exemption from levies is valid from July 15, 2022 to August 31, 2022. The exemption from export levies for 26 services at the palm oil BPDPS BLPU refers to the Minister of Finance Regulation (PMK) Number 115/PMK.05/2022 concerning Service Tariffs for the Public Service Agency Plantation Fund Management Agency. Palm Oil at the Ministry of Finance. This regulation stipulates that the tariff for plantation fund levies on palm oil exports is IDR0 per ton during that period. PMK Number 115/PMK.05/2022 amends the provisions of PMK Number 103/PMK.05/2022 which was promulgated only a month earlier, on June 13, 2022. (Kompas)

US Housing Starts Drop to Nine-Month Low

New US home-building activity fell to a nine-month low in June and permits for new construction projects slipped as well, the latest indication of a cooling housing market as surging mortgage rates reduce affordability. Housing starts fell 2% to a seasonally adjusted annual rate of 1.559 million units last month, the lowest level since September 2021, the Commerce Department said on Tuesday. Data for May was revised higher to a rate of 1.591 million units from the previously reported 1.549 million units. (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							3,051.8							
BBCA	7,175	7,300	9,000	Buy	25.4	19.5	884.5	27.3x	4.5x	17.4	2.0	3.9	13.6	0.9
BBRI	4,110	4,110	5,500	Buy	33.8	11.4	622.9	15.0x	2.3x	15.7	4.2	3.9	30.3	1.3
BBNI	7,300	6,750	10,700	Buy	46.6	51.5	136.1	10.9x	1.1x	10.4	2.0	2.7	66.2	1.4
BMRI	7,425	7,025	9,800	Buy	32.0	29.1	346.5	10.8x	1.8x	17.1	4.9	5.8	69.5	1.2
Consumer Non-Cyclicals							1,141.7							
ICBP	9,450	8,700	10,400	Overweight	10.1	11.2	110.2	16.7x	3.0x	19.5	2.3	13.9	11.4	0.5
UNVR	4,970	4,110	5,700	Overweight	14.7	(2.1)	189.6	31.2x	29.7x	94.0	3.0	5.4	17.8	0.5
GGRM	29,475	30,600	32,700	Overweight	10.9	(21.2)	56.7	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	5,800	5,950	5,600	Hold	(3.4)	(10.1)	95.1	28.3x	3.6x	13.1	1.9	15.2	(18.0)	0.8
AALI	9,450	9,500	14,900	Buy	57.7	19.6	18.2	7.9x	0.9x	11.4	4.9	30.7	197.6	0.9
Consumer Cyclicals							381.3							
ERAA	498	600	640	Buy	28.5	(14.1)	7.9	7.6x	1.2x	17.0	4.6	5.8	11.8	0.7
MAPI	920	710	1,100	Buy	19.6	46.0	15.3	16.4x	2.4x	15.7	N/A	30.6	1450.0	1.0
Healthcare							262.0							
KLBF	1,700	1,615	1,800	Overweight	5.9	22.3	79.7	24.1x	3.9x	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							893.43							
TLKM	4,160	4,040	4,940	Buy	18.8	29.2	412.1	16.6x	3.2x	21.0	3.6	3.7	1.7	1.0
JSMR	3,580	3,890	5,100	Buy	42.5	(1.1)	26.0	14.1x	1.2x	9.2	N/A	5.0	142.7	1.0
EXCL	2,500	3,170	3,800	Buy	52.0	1.2	26.8	24.1x	1.3x	5.6	2.0	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	2,990	2,950	3,240	Overweight	8.4	(6.6)	67.7	37.7x	6.7x	17.9	1.2	15.4	62.0	0.3
WIKA	930	1,105	1,280	Buy	37.6	(5.6)	8.3	204.2x	0.6x	0.3	N/A	(19.4)	(98.3)	1.4
PTPP	890	990	1,700	Buy	91.0	6.0	5.5	21.3x	0.5x	2.4	N/A	50.8	(16.7)	1.5
Property & Real Estate							219.8							
CTRA	890	970	1,500	Buy	68.5	(4.3)	16.5	8.6x	0.9x	11.6	1.0	20.7	76.9	1.3
PWON	452	464	690	Buy	52.7	11.9	21.8	14.4x	1.3x	9.7	0.9	17.1	56.8	1.3
Energy							835.8							
PGAS	1,585	1,375	1,770	Overweight	11.7	58.5	38.4	7.1x	1.0x	14.6	7.8	14.2	96.9	1.4
PTBA	3,980	2,710	4,900	Buy	23.1	86.0	45.9	4.7x	1.7x	44.3	17.3	105.4	342.4	1.1
ADRO	2,950	2,250	3,900	Buy	32.2	136.0	94.4	4.9x	1.3x	30.0	10.2	77.0	472.3	1.0
Industrial							437.4							
UNTR	29,100	22,150	32,000	Overweight	10.0	52.4	108.5	8.5x	1.5x	18.5	4.3	56.3	131.6	0.8
ASII	6,075	5,700	8,000	Buy	31.7	27.1	245.9	10.6x	1.4x	13.7	3.9	39.0	83.7	1.0
Basic Ind.							922.7							
SMGR	6,550	7,250	9,500	Buy	45.0	(23.8)	38.9	18.8x	1.1x	6.0	2.6	0.7	10.5	1.1
INTP	9,375	12,100	12,700	Buy	35.5	(8.1)	34.5	21.1x	1.6x	7.5	5.3	3.5	(45.7)	1.1
INCO	5,150	4,680	8,200	Buy	59.2	(3.7)	51.2	17.1x	1.5x	9.3	N/A	13.8	100.0	1.4
ANTM	1,655	2,250	3,450	Buy	108.5	(37.3)	39.8	14.7x	1.8x	12.8	2.3	5.8	132.5	1.9

* Target Price

Source: Bloomberg, NHKS Research

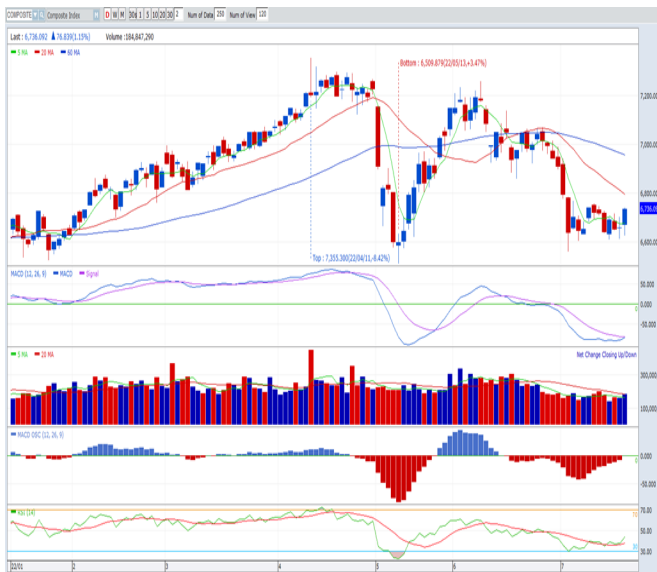
Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	—	—	—	—	—	—	—
18 - July	—	—	—	—	—	—	—
Tuesday	EC	16:00	CPI YoY	Jun.	8.6%	8.6%	8.6%
19 - July	EC	16:00	CPI MoM	Jun.	0.8%	0.8%	0.8%
	US	19:30	Housing Starts	Jun.	1,559K	1,580K	1,591K
	US	19:30	Building Permits	Jun.	1,685K	1,650K	1,695K
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, 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, BKSJ, BIMA, BBYB, BATA, ASSA, ASPI, ARKA, APLI
21 - July	Cum Dividend	PANS
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, BIKI, AGAR
22 - July	Cum Dividend	BSML

Source: Bloomberg



PREVIOUS 19 JULI 2022

INDEX 6736.09 (+1.15%)
 TRANSACTIONS 11.19 TRILLION
 NETT FOREIGN 59 BILLION (BUY)

PREDICTION 20 JULI 2022

UPWARD
 6650-6800

CANDLE DITUTUP MENGGAL. TEKANAN JUAL MULAI MEREDA TERLIHAT DARI INDIKATOR MACD HISTOGRAM MENUJU KE AREA POSITIF. INDIKATOR MACD BEPOTENSI GOLDEN CROSS. VOLUME MENINGKAT.

ASII—PT ASTRA INTERNATIONAL TBK



PREVIOUS 18 JULI 2022

CLOSING 6075 (+0.83%)

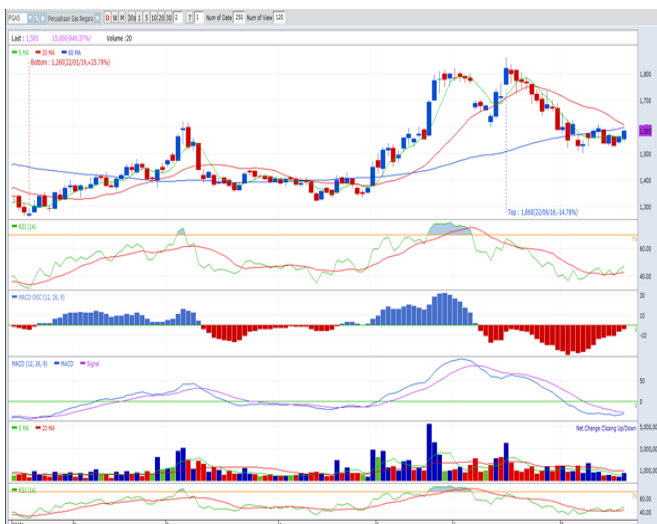
PREDICTION 20 JULI 2022

BUY

TARGET PRICE 6300
 STOPLOSS 5950

CANDLE DITUTUP DI ATAS MA5. TEKANAN JUAL MEREDA DILIHAT DARI INDIKATOR MACD HISTOGRAM. INDIKATOR MACD BEPOTENSI GOLDEN CROSS. VOLUME MENINGKAT.

PGAS—PT PERUSAHAAN GAS NEGARA TBK



PREVIOUS 19 JULI 2022

CLOSING 1585 (+1.28%)

PREDICTION 20 JULI 2022

BUY

TARGET PRICE 1600
 STOPLOSS 1525

CANDLE DITUTUP MENGGAL. TEKANAN JUAL MULAI REDA DITUNJUKKAN OLEH INDIKATOR MACD HISTOGRAM. INDIKATOR MACD BEPOTENSI GOLDEN CROSS. VOLUME MENINGKAT.

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