

Weekly Brief (Jul. 4 – 8, 2022)

Summary:

Last week review:

Inflation Above Target and Rupiah at 15,000. US PCE Core Deflator in May was up +0.3% MoM (+4.7% YoY); still high compared to last month's +0.3% MoM (+4.9% YoY), supporting the Fed's aggressive Hawkish stance in July, which is projected to increase FFR by 75 bps to 2.25%-2.50%. Other data show that consumers restrain consumption, with Personal Spending only growing 0.2% in May (Vs. Apr. +0.6%), while Personal Income was flat +0.5% in the same period. The US economic data was followed by Indonesia's Headline CPI YoY that reached 4.35% or above the ceiling of BI's annual inflation target of 2%-4.2%. Investors pay close attention to issuers' margin pressures, following price increases and supply chain shock. Last week, JCI closed lower by 3.5% with rupiah closing in on the psychological level of IDR 15,000/USD.

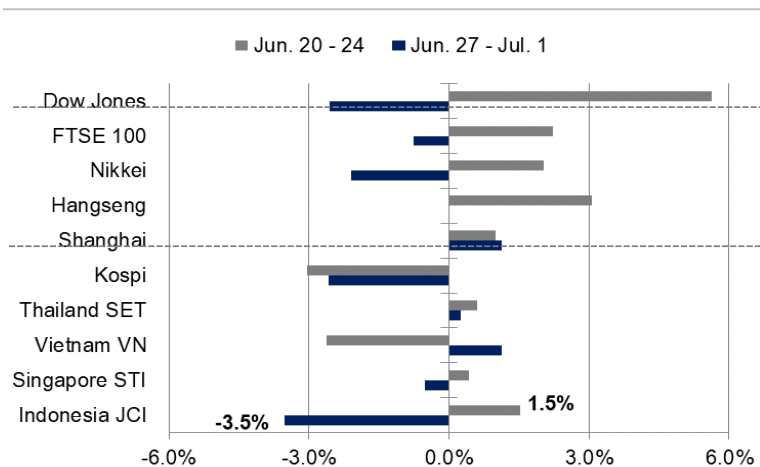
This week's outlook:

Export-Based and Inflation-Resilient Stocks. CPI Headline is higher than the target, while Core CPI is at 2.63% YoY (Vs. 2.58% in May), below BI's target median of 2%-4%, showing us that BI has an alternative policy in July's RDG. Previously, NHKSI projects a moderate 25 bps increase to BI 7DRRR in July, anticipating ahead of the curve, following the possibility of high inflation in 3Q22. Investors may observe export-based and USD-denominated earnings stocks, as well as high inflation-resilient stocks. On the other hand, investor are still anticipating import-based stocks, such as the pharmaceutical subsector, amid the existing health issues. NHKSI Research projects JCI to move in the range of 6,700-6,960 this week.

JCI Index	: 6,794.32 (-3.5%)
Foreign Flow	: Net sell of IDR 3.9 trillion (Vs. last week's net sell of IDR 4.2 trillion)
USD/IDR	: 14,938 (+0.6%)

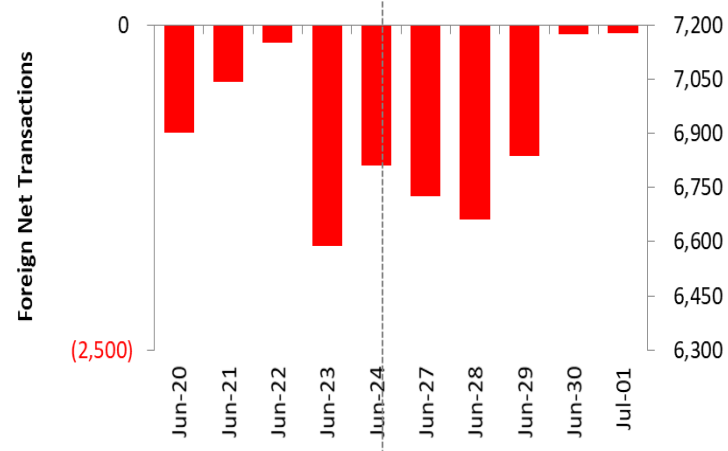
Last Week's JCI Movement

Global Market Movement



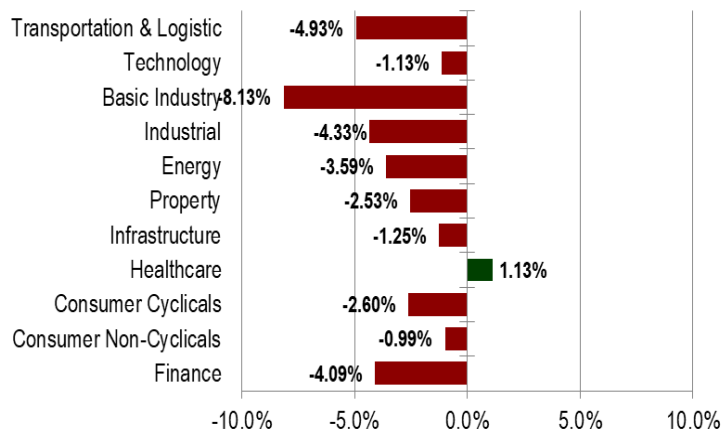
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



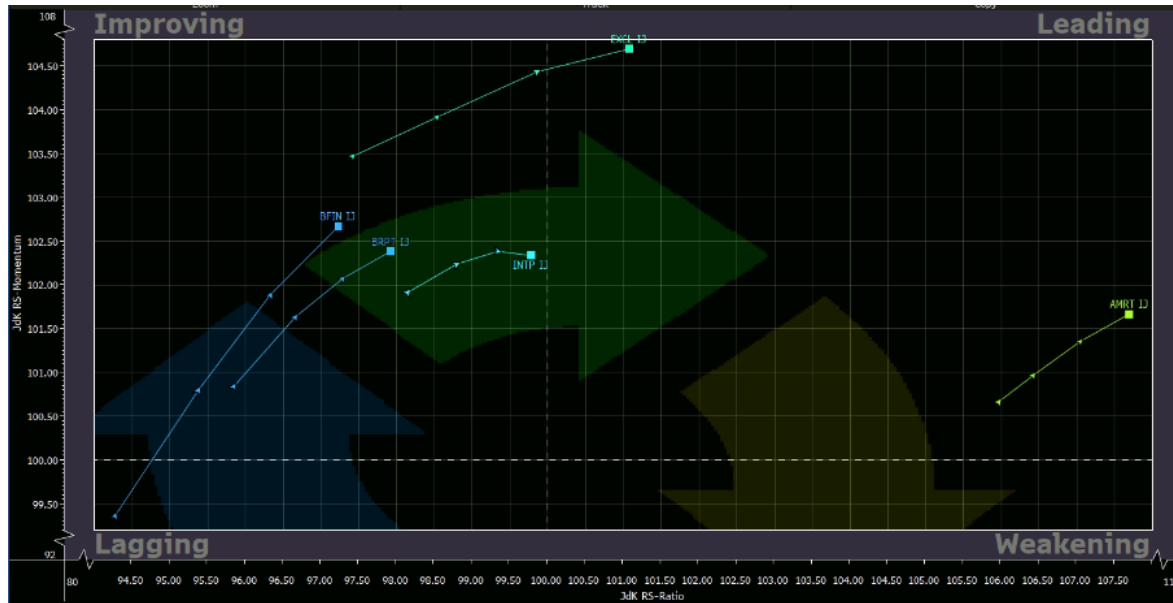
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
ADRO	141,858	BBCA	1,072,560
PGAS	113,190	BBRI	937,170
HRUM	101,841	TLKM	289,216
ASII	87,827	INCO	249,737
UNTR	77,982	BMRI	243,471

Source: Bloomberg, NHKSI Research

Stocks Recommendation



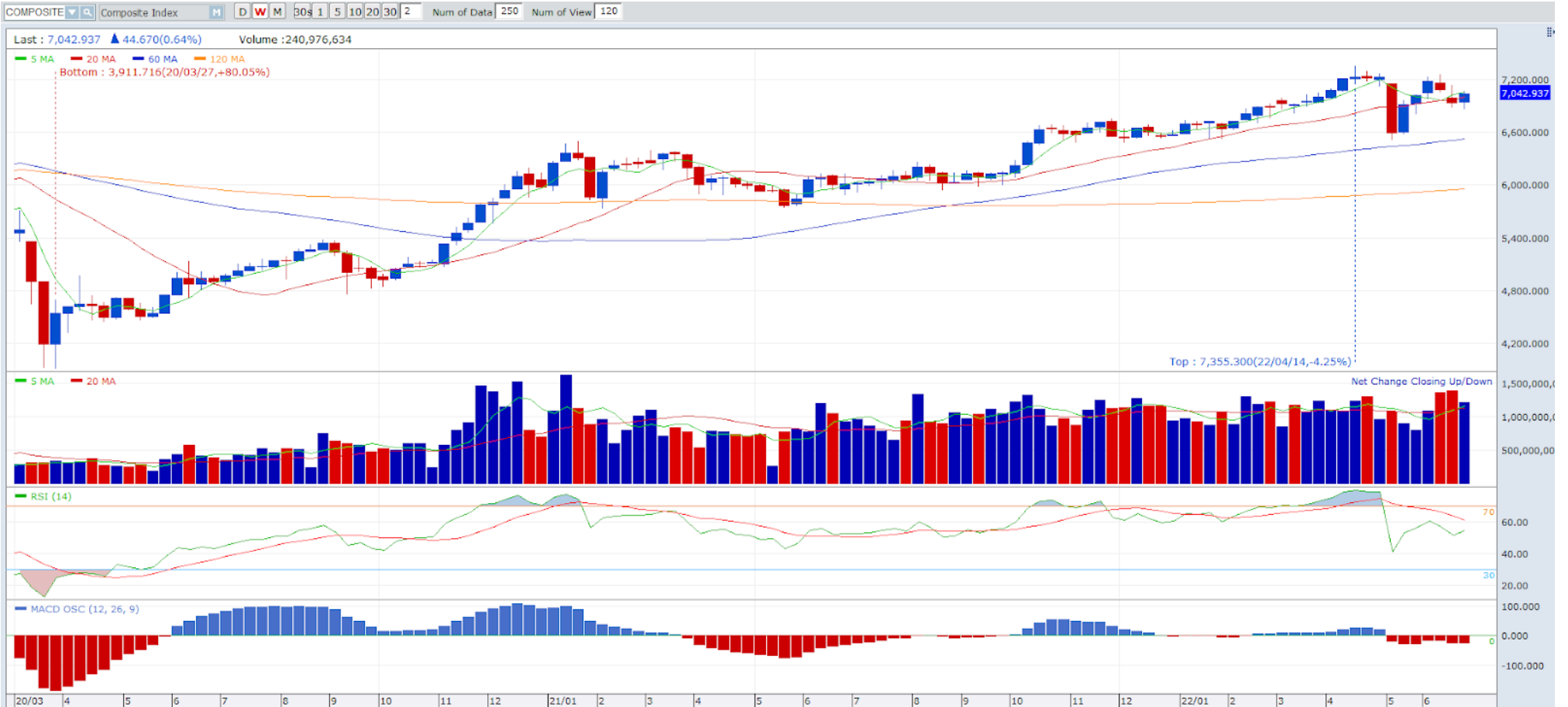
Source: Bloomberg, NHKSI Research

Stocks	TP	SL
AMRT	2,190	1,980
BFIN	1,235	1,030
BRPT	790	720
EXCL	2,650	2,540
INTP	9,825	9,250

Source: Bloomberg, NHKSI Research

JCI Index

Support 6,700 **Resistance** 6,960



Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 4-July.	GE	13:00	Exports MoM	May	-1.6%	+4.5%
	GE	13:00	Imports MoM	May	-0.3%	+3.6%
	EC	16:00	PPI MoM	May	1.3%	1.2%
	EC	16:00	PPI YoY	May	37.1%	37.2%
Tuesday, 5-July.	CH	08:45	Caixin PMI Composite	Jun.	--	42.2
	CH	08:45	Caixin PMI Services	Jun.	49.0	41.4
	US	21:00	Factory Orders	May	0.5%	0.3%
	US	21:00	Durable Goods Orders	May	0.7%	0.7%
Wednesday, 6-July.	EC	16:00	Retail Sales MoM	May	0.6%	-1.3%
	EC	16:00	Retail Sales YoY	May	-0.1%	3.9%
	US	18:00	MBA Mortgage Applications	Jul.	--	0.7%
	US	20:45	S&P Global US Composite PMI	Jun.	--	51.2
Thursday, 7-July.	ID	10:00	Foreign Reserves	Jun.	--	\$135.60Bn
	US	01:00	FOMC Meeting Minutes	Jun.	--	--
	US	19:30	Trade Balance	May	-\$84.9Bn	-\$87.1Bn
	US	19:30	Initial Jobless Claims	Jul.	--	231k
Friday, 8-July.	ID	--	Consumer Confidence Index	Jun.	--	128.9
	US	19:30	Change in NonFarm Payrolls	Jun.	250k	390k
	US	19:30	Unemployment Rate	Jun.	3.6%	3.6%
	US	21:00	Wholesale Inventories MoM	May	--	2.0%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday, 4-July.	RUPS	PTSN, FIRE
	Cum Dividend	KMTR, INDR, IDPR, BAYU
Tuesday, 5-July.	RUPS	PWON, MMLP, KREN, INCI
	Cum Dividend	WIIM
Wednesday, 6-July.	RUPS	WIFI, SURE, PAMG, NICL, FOOD, CMPP, CMNP, ADES
	Cum Dividend	UNIC, SKBM, MYOR, DVLA
Thursday, 7-July.	RUPS	SMRA, POLA, MICE, META, KBAG, JECC, IKAI, HITS, BPII
	Cum Dividend	--
Friday, 8-July.	RUPS	NETV, MPRO, KRAS, KIJA, KICI, DCII, ASBI, AKSI
	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							3,088.3							
BBCA	7,250	7,300	9,000	Buy	24.1	20.3	893.7	27.6x	4.6x	17.4	2.0	3.9	13.6	0.9
BBRI	4,140	4,110	5,500	Buy	32.9	7.7	627.5	15.1x	2.3x	15.7	4.2	3.9	30.3	1.3
BBNI	7,850	6,750	10,700	Buy	36.3	67.0	146.4	11.7x	1.2x	10.4	1.9	2.7	66.2	1.4
BMRI	7,600	7,025	9,800	Buy	28.9	27.2	354.7	11.0x	1.8x	17.1	4.7	5.8	69.5	1.1
Consumer Non-Cyclicals							1,148.9							
ICBP	9,350	8,700	10,400	Overweight	11.2	10.0	109.0	16.6x	3.0x	19.5	2.3	13.9	11.4	0.5
UNVR	4,830	4,110	5,700	Buy	18.0	(7.6)	184.3	30.3x	28.9x	94.0	3.1	5.4	17.8	0.5
GGRM	31,525	30,600	32,700	Hold	3.7	(28.7)	60.7	12.3x	1.0x	8.2	8.2	(1.5)	(38.3)	0.8
HMSP	975	965	1,000	Hold	2.6	(18.4)	113.4	17.7x	3.6x	20.2	6.5	11.0	(27.3)	0.9
CPIN	5,925	5,950	5,600	Underweight	(5.5)	(6.0)	97.2	28.9x	3.7x	13.1	1.8	15.2	(18.0)	0.8
AALI	9,650	9,500	14,900	Buy	54.4	22.9	18.6	8.1x	0.9x	11.4	4.8	30.7	197.6	0.9
Consumer Cyclicals							396.5							
ERAA	510	600	640	Buy	25.5	(23.9)	8.1	7.8x	1.3x	17.0	2.7	5.8	11.8	0.7
MAPI	915	710	1,100	Buy	20.2	47.6	15.2	16.4x	2.4x	15.7	N/A	30.6	1450.0	1.0
Healthcare							260.5							
KLBF	1,685	1,615	1,800	Overweight	6.8	20.4	79.0	23.9x	3.9x	17.1	2.1	16.6	16.7	0.6
SIDO	990	865	1,100	Overweight	11.1	33.0	29.7	23.0x	9.6x	42.8	3.8	11.0	9.6	0.4
MIKA	2,700	2,260	2,700	Hold	-	(1.1)	38.5	32.4x	7.3x	22.7	1.3	(9.2)	(13.8)	0.2
Infrastructure							876.03							
TLKM	4,020	4,040	4,940	Buy	22.9	29.3	398.2	16.0x	3.1x	21.0	3.7	3.7	1.7	1.0
JSMR	3,500	3,890	5,100	Buy	45.7	(1.1)	25.4	13.8x	1.2x	9.2	N/A	5.0	142.7	1.0
EXCL	2,560	3,170	3,800	Buy	48.4	(3.0)	27.5	24.7x	1.3x	5.6	2.0	7.9	(56.7)	0.9
TOWR	1,095	1,125	1,520	Buy	38.8	(11.3)	55.9	15.6x	4.2x	29.4	2.2	33.9	6.3	0.5
TBIG	2,910	2,950	3,240	Overweight	11.3	(8.8)	65.9	36.7x	6.5x	17.9	1.2	15.4	62.0	0.3
WIKA	950	1,105	1,280	Buy	34.7	(4.5)	8.5	72.4x	0.7x	0.9	N/A	7.7	(36.7)	1.5
PTPP	930	990	1,700	Buy	82.8	1.1	5.8	22.2x	0.5x	2.4	N/A	50.8	(16.7)	1.6

Source : Bloomberg, NH KSI Research

NHKSI 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
Property & Real Estate							213.8							
CTRA	830	970	1,500	Buy	80.7	(7.8)	15.4	8.0x	0.9x	11.6	1.0	20.7	76.9	1.3
PWON	458	464	690	Buy	50.7	3.6	22.1	14.5x	1.3x	9.7	N/A	17.1	56.8	1.3
Energy							858.3							
PGAS	1,600	1,375	1,770	Overweight	10.6	58.4	38.8	7.1x	1.0x	14.6	7.8	14.2	96.9	1.4
PTBA	3,720	2,710	4,900	Buy	31.7	85.1	42.9	4.4x	1.6x	44.3	18.5	105.4	342.4	1.0
ADRO	2,720	2,250	3,900	Buy	43.4	125.7	87.0	4.6x	1.2x	30.0	11.1	77.0	472.3	1.0
Industrial							455.8							
UNTR	26,500	22,150	32,000	Buy	20.8	30.4	98.8	7.8x	1.3x	18.5	4.7	56.3	131.6	0.8
ASII	6,525	5,700	8,000	Buy	22.6	29.9	264.2	11.3x	1.5x	13.7	3.7	39.0	83.7	1.0
Basic Ind.							901.4							
SMGR	6,875	7,250	9,500	Buy	38.2	(26.9)	40.8	19.7x	1.1x	6.0	2.5	0.7	10.5	1.1
INTP	9,400	12,100	12,700	Buy	35.1	(10.0)	34.6	21.2x	1.6x	7.5	10.6	3.5	(45.7)	1.1
INCO	5,350	4,680	8,200	Buy	53.3	17.3	53.2	17.8x	1.6x	9.3	N/A	13.8	100.0	1.3
ANTM	1,750	2,250	3,450	Buy	97.1	(21.5)	42.1	15.6x	1.9x	12.8	2.2	5.8	132.5	1.9

Source : Bloomberg, NHKSI Research

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