

Weekly Brief (Aug. 1 – 5, 2022)

Summary:

Last week review:

Big Cap. Earning Results and the Fed's Hawkish slowdown supported the JCI to approach the psychological level of 7,000. In addition to Indonesia's inflation which has not become a concern in the near future, investors appreciate the positives of the Big Four Banks and a number of Consumer Non-Cyclicals Earning Results. Meanwhile, the US economy officially recorded a recession, GDP Annualized 2Q22 contracted -0.9% QoQ (Vs. 1Q22 -1.6% QoQ), in line with consumer spending, with Personal Consumption 2Q22 QoQ +1.0% and Core PCE 2Q22 QoQ +4.4%, slower than the previous quarter. This recession has the opportunity to push the Fed's policy to be more relaxed in 2H22 and even lead to Dovish in 2023. The past week, the JCI rose almost 1% with Industrial and Energy leading sectoral gains, rising 7.7% each.

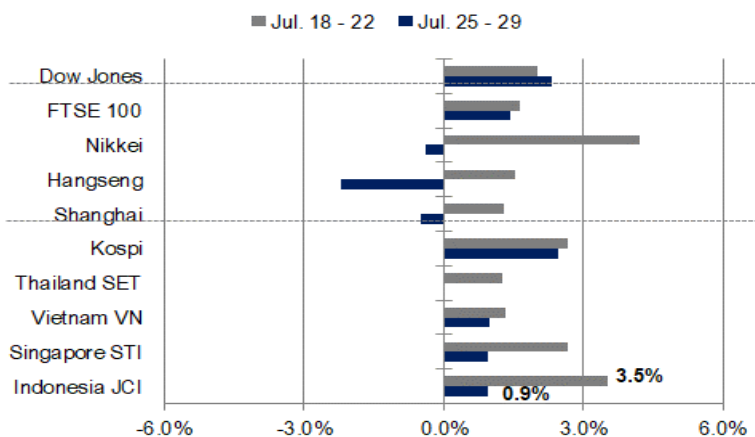
This week's outlook:

BI Dovish, Maintaining 5% GDP Growth. In addition to the Earning Result season, investors are watching the Cum Dividend of a number of stocks and the release of domestic economic data. Indonesia's 2Q22 GDP is projected to grow +5.20% YoY (Vs. 1Q22 5.01% YoY), as more relaxed mobility boosts consumption and production levels during Ramadan and Eid. NHKSI Research sees that the economy is facing the challenge of rising inflation, as the July CPI Headline is projected at 4.82% YoY (Vs. June 4.35% YoY). This projection once again exceeds the upper limit of BI's annual target of 4.5%-4.6%. Inflation in July was influenced by the adjustment of the selling price of processed food, due to the increase in the cost of importing raw materials; and adjustment of TDL and Non-Subsidized LPG. Meanwhile, July's Core CPI is projected to be 2.87% YoY, or still within BI's target of 2%-4%, meaning BI still has room to hold BI at 7DRRR.

JCI Index	: 6,951.12 (+0.9%)
Foreign Flow	: Net buy of IDR 1.9 trillion (Vs. last week's net buy of IDR 41 billion)
USD/IDR	: 14,833 (-1.2%)

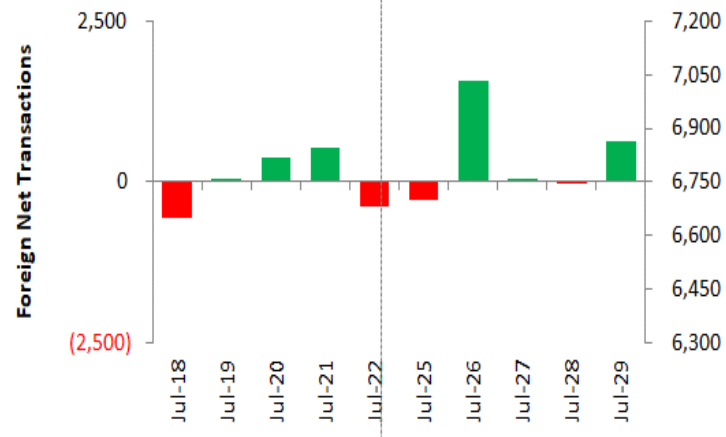
Last Week's JCI Movement

Global Market Movement



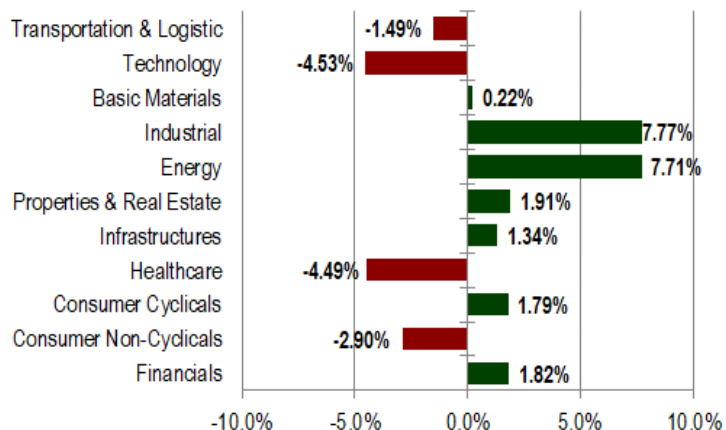
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



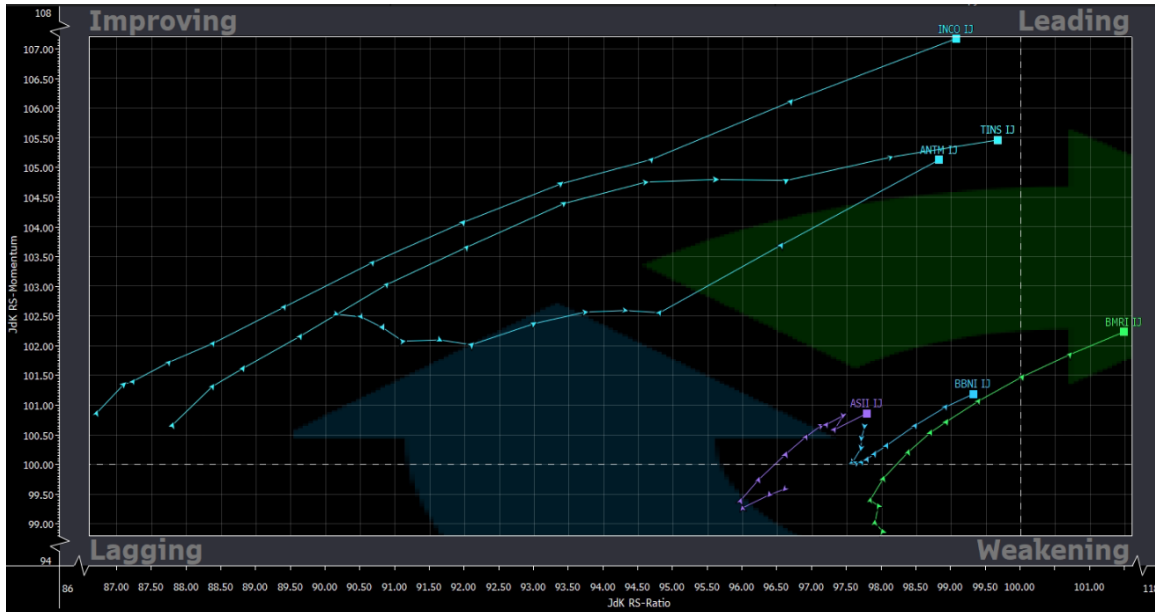
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
BMRI	481,848	BBNI	345,865
TLKM	205,805	MDKA	219,354
PTBA	142,879	ARTO	158,289
ADRO	139,509	HRUM	150,161
UNTR	138,822	BUKA	148,197

Source: Bloomberg, NHKSI Research

Stocks Recommendation



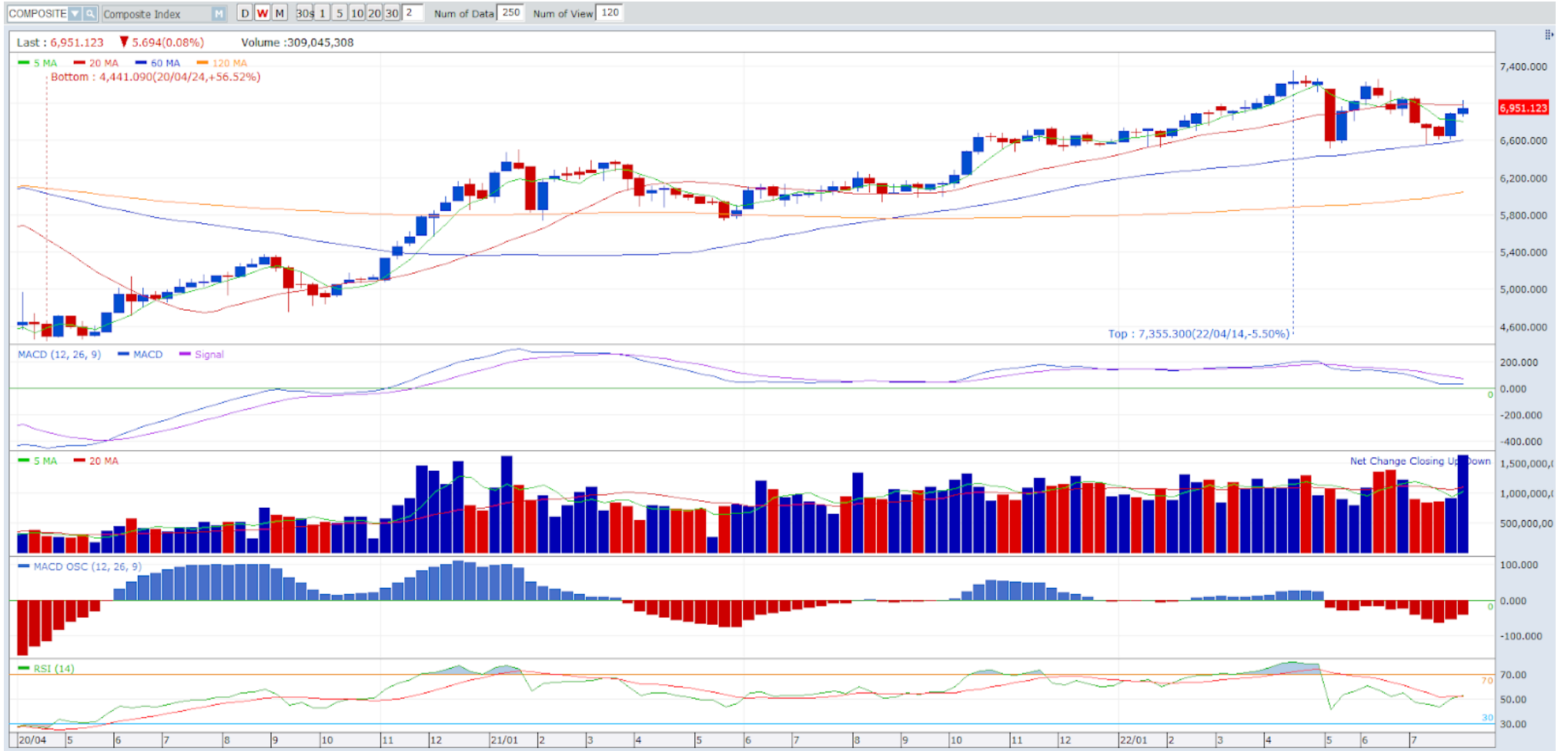
Source: Bloomberg, NHKSI Research

Stocks	Advise	TP	SL
ANTM	Buy on Weakness	2,300-2,400	1,750
ASII	Buy	6,600-6,700	6,100
BBNI	Buy on Weakness	8,150/ 8,500	7,575
BMRI	Buy	8,500/ 8,800	8,100
INCO	Buy on Weakness	6,500/ 6,700/ 7,000	5,500
TINS	Buy on Weakness	1600/ 1650/ 1750	1,380

Source: Bloomberg, NHKSI Research

JCI Index

Support	6,900	Resistance	7000-7032/ 7150-7175
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Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 1-Aug.	ID	07:30	S&P Global Indonesia PMI Mfg.	Jul.	--	50.2
	ID	11:00	CPI MoM / YoY	Jul.	0.54% / 4.82%	0.61% / 4.35%
	ID	11:00	CPI Core YoY	Jul.	2.87%	2.63%
	US	21:00	ISM Manufacturing	Jul.	52.1	53.0
Tuesday, 2-Aug.	--	--	--	--	--	--
Wednesday, 3-Aug.	US	18:00	MBA Mortgage Applications	Jul.	--	-1.8%
	US	21:00	Durable Goods Orders	Jun.	--	1.9%
	US	21:00	Factory Orders	Jun.	0.8%	1.6%
Thursday, 4-Aug.	GE	13:00	Factory Orders MoM	Jun.	-1.7%	0.1%
	US	19:30	Trade Balance	Jun.	USD81.5Bn	USD85.5Bn
	US	19:30	Initial Jobless Claims	Jul. 30	--	256K
Friday, 5-Aug.	ID	10:00	Foreign Reserves	Jul.	--	USD136.40Bn
	ID	11:00	GDP QoQ / YoY	2Q22	3.50% / 5.20%	-0.96% / 5.01%
	GE	13:00	Industrial Production MoM	Jun.	-0.6%	0.2%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday, 1-Aug.	RUPS	--
	Cum Dividend	INDF, ICBP, EKAD, CAMP, BOLA
Tuesday, 2-Aug.	RUPS	DEAL, DADA
	Cum Dividend	PGLI, AMAN
Wednesday, 3-Aug.	RUPS	SMMT, SATU, BNBA
	Cum Dividend	XCID, EAST, AKRA
Thursday, 4-Aug.	RUPS	--
	Cum Dividend	HOKI
Friday, 5-Aug.	RUPS	WIKA, TPIA, SHID, AMIN
	Cum Dividend	SMSM

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							3,197.1							
BBCA	7,350	7,300	9,000	Buy	22.4	21.7	906.1	25.9x	4.5x	17.9	2.0	2.9	24.6	0.9
BBRI	4,360	4,110	5,500	Buy	26.1	18.5	660.8	14.0x	2.3x	18.1	4.0	8.4	46.2	1.3
BBNI	7,850	6,750	10,700	Buy	36.3	59.2	146.4	11.7x	1.2x	10.4	1.9	#N/A	N/A	1.4
BMRI	8,275	7,025	9,800	Buy	18.4	43.9	386.2	10.8x	1.9x	18.2	4.4	12.4	61.6	1.2
Consumer Non-Cyclicals							1,119.2							
ICBP	8,825	8,700	10,400	Buy	17.8	5.7	102.9	15.6x	2.8x	19.5	2.4	13.9	11.4	0.5
UNVR	4,510	4,110	5,700	Buy	26.4	4.2	172.1	28.0x	37.7x	143.2	3.3	6.4	12.5	0.5
GGRM	27,850	30,600	32,700	Buy	17.4	(20.0)	53.6	12.6x	1.0x	7.3	8.1	1.8	(59.4)	0.8
HMSP	930	965	1,000	Overweight	7.5	(14.3)	108.2	18.0x	4.4x	23.9	6.8	12.3	(27.8)	0.9
CPIN	5,600	5,950	5,600	Hold	-	(12.2)	91.8	27.3x	3.5x	13.1	1.9	15.2	(18.0)	0.8
AALI	9,650	9,500	14,900	Buy	54.4	17.0	18.6	8.7x	0.9x	10.6	4.8	1.2	24.6	0.9
Consumer Cyclicals							393.0							
ERAA	498	600	640	Buy	28.5	(24.5)	7.9	7.6x	1.2x	17.0	4.6	5.8	11.8	0.7
MAPI	890	710	1,000	Overweight	12.4	41.3	14.8	15.9x	2.3x	15.7	N/A	30.6	1450.0	1.0
Healthcare							257.9							
KLBF	1,620	1,615	1,800	Overweight	11.1	25.1	75.9	22.8x	4.0x	18.0	2.2	12.2	9.9	0.6
SIDO	905	865	1,100	Buy	21.5	14.0	27.2	22.5x	8.4x	37.6	4.2	(2.6)	(11.2)	0.4
MIKA	2,490	2,260	3,000	Buy	20.5	(3.9)	35.5	30.6x	6.7x	22.7	1.4	(13.3)	(11.5)	0.1
Infrastructure							912.44							
TLKM	4,230	4,040	4,940	Buy	16.8	31.0	419.0	16.4x	3.3x	21.0	3.5	3.7	6.9	1.0
JSMR	3,560	3,890	5,100	Buy	43.3	(7.5)	25.8	14.0x	1.2x	9.2	N/A	5.0	142.7	1.0
EXCL	2,370	3,170	3,800	Buy	60.3	(6.7)	25.4	22.9x	1.2x	5.6	2.2	7.9	(56.7)	1.0
TOWR	1,175	1,125	1,520	Buy	29.4	(20.9)	59.9	16.8x	4.5x	29.4	2.1	33.9	6.3	0.4
TBIG	3,070	2,950	3,240	Overweight	5.5	(2.8)	69.6	38.7x	6.9x	17.9	1.2	15.4	62.0	0.3
WIKA	935	1,105	1,280	Buy	36.9	(3.6)	8.4	205.3x	0.6x	0.3	N/A	(19.4)	(98.3)	1.4
PTPP	910	990	1,700	Buy	86.8	5.8	5.6	21.8x	0.5x	2.4	N/A	50.8	(16.7)	1.5

Source : Bloomberg, NH KSI 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
Property & Real Estate							225.5							
CTRA	925	970	1,500	Buy	62.2	3.9	17.2	8.9x	1.0x	11.6	0.9	20.7	76.9	1.3
PWON	456	464	690	Buy	51.3	7.0	22.0	14.5x	1.3x	9.7	0.9	17.1	56.8	1.3
Energy							896.1							
PGAS	1,680	1,375	1,770	Overweight	5.4	67.2	40.7	7.5x	1.0x	14.6	7.4	14.2	96.9	1.4
PTBA	4,300	2,710	4,900	Overweight	14.0	92.0	49.5	5.0x	1.9x	44.3	16.0	105.4	342.4	1.1
ADRO	3,250	2,250	3,900	Buy	20.0	145.3	104.0	5.5x	1.5x	30.0	9.3	77.0	472.3	1.1
Industrial							450.1							
UNTR	32,300	22,150	32,000	Hold	(0.9)	63.5	120.5	7.5x	1.5x	22.6	3.8	62.0	129.2	0.8
ASII	6,325	5,700	8,000	Buy	26.5	36.0	256.1	8.7x	1.4x	17.1	3.8	33.8	106.0	1.0
Basic Ind.							953.1							
SMGR	6,525	7,250	9,500	Buy	45.6	(18.7)	38.7	18.7x	1.1x	6.0	2.6	0.7	10.5	1.1
INTP	9,300	12,100	12,700	Buy	36.6	1.1	34.2	21.0x	1.6x	7.5	5.4	3.5	(45.7)	1.1
INCO	6,100	4,680	8,200	Buy	34.4	13.0	60.6	15.8x	1.8x	11.8	N/A	36.1	155.9	1.4
ANTM	1,955	2,250	3,450	Buy	76.5	(24.5)	47.0	17.4x	2.1x	12.8	2.0	5.8	132.5	2.0

Source : Bloomberg, NH KSI Research

PT NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head of Research

Liza Camelia Suryanata

Equity Strategy, Technical

T +62 21 5088 ext 9134

E liza.camelia@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