

Weekly Brief (Sept. 19 – 23, 2022)

Summary:

Last week review:

FFR September speculation rose +100Bps, responding to Lagging Indicators which recorded an increase in the rate of inflation. Last week, CME FedWatch started projecting a +100Bps September FFR increase probability of 18%, from the previous +75Bps increase of 82%, responding negatively to the US Core Inflation rate for August period to 6.3% YoY (Vs. Jul. 5.9%). In addition to the Labor Market, Core Inflation is one of the Lagging Indicators, the Fed's benchmark in determining the FFR amount. This aggressive Hawkish speculation, coming after June and July rose +75Bps each, puts the US at risk of an economic recession. This can be seen from the widening of the UST2Y Yield Inversion spread (3.99%) Vs. UST10Y (3.46%) from 25Bps to 43Bps a week.

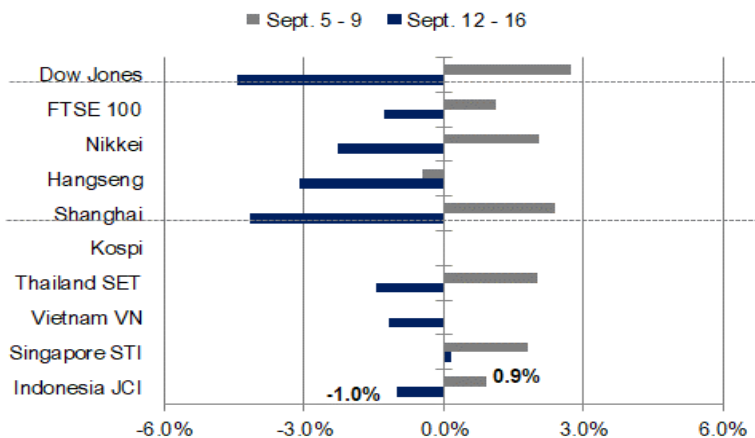
This week's outlook:

Sacred Thursday, the main indicator to determine the direction of the JCI ahead of the close of 3Q22. Three Central Banks are projected to return to Hawkish, with BI +25Bps; BoE +50Bps and the Fed +75Bps, Thursday West Indonesia Time. NHKSI Research sees that Hawkish continued aggressively by the Fed by using Lagging Indicators (Core Inflation, Labor Market) which still shows inflation, while Leading Indicators (Gold, Copper) have shown deflation, potentially bringing US GDP to the verge of recession, after experiencing a Technical Recession. 1H22. In fact, global oil prices have fallen more than 30% from their peak levels. Meanwhile, depressed by almost 2% over the weekend after touching the All Time High level of 7,377, made investors begin to anticipate the JCI pressure at the psychological level of 7,100.

JCI Index	: 7,168.87 (-1.0%)
Foreign Flow	: Net buy of IDR 359 billion (Vs. last week's net buy of IDR 4.7 trillion)
USD/IDR	: 14,953 (+0.8%)

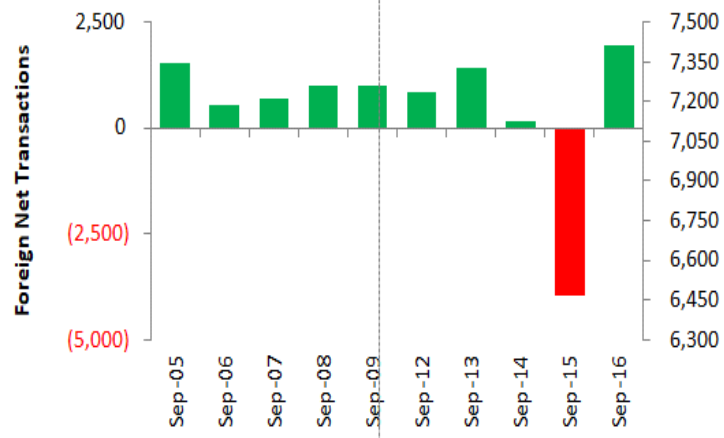
Last Week's JCI Movement

Global Market Movement



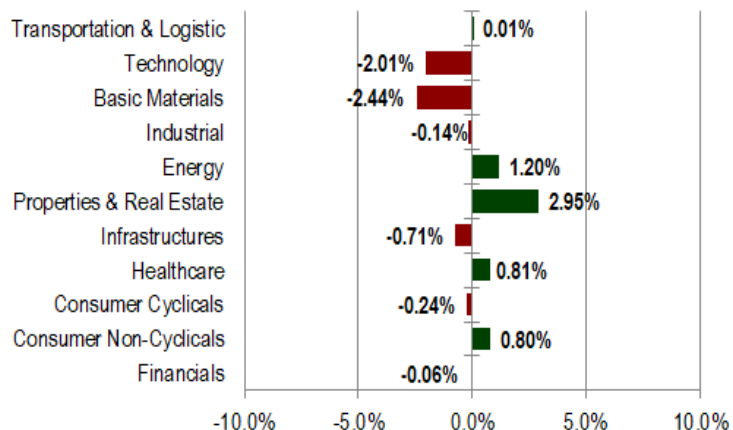
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



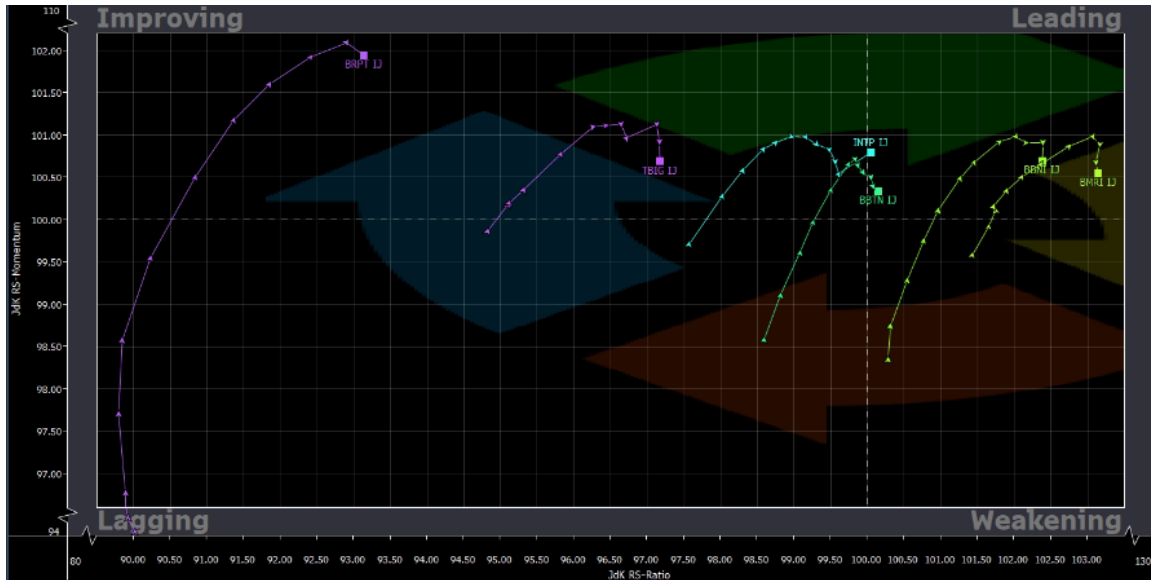
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
BMRI	1,441,126	BUMI	257,477
BBCA	797,120	HEAL	206,858
BBNI	597,950	TLKM	150,160
ASII	257,224	LINK	84,784
MDKA	119,951	INDY	81,826

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
BBNI	9,600 / 9,900	8,550
BBTN	1,660 / 1,720	1,525
BMRI	10,000	8,800
BRPT	880-885	805
INTP	10,575-10,700	9,525
TBIG	2,850-2,900	2,720

Source: Bloomberg, NHKSI Research

JCI Index

Support	7,160 / 7,050-7,000	Resistance	7,250 / 7,300 / 7,355-7,377
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Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 19-Sept.	--	--	--	--	--	--
Tuesday, 20-Sept.	US	19:30	Building Permits	Aug.	1,621K	1,685K
	US	19:30	Building Permits MoM	Aug.	-3.8%	-0.6%
	US	19:30	Housing Starts	Aug.	1,460K	1,446K
	US	19:30	Housing Starts MoM	Aug.	1.0%	-9.6%
Wednesday, 21-Sept.	US	18:00	MBA Mortgage Applications	Sept. 16	--	-1.2%
	US	21:00	Existing Home Sales	Aug.	4.70Mn	4.81Mn
	US	21:00	Existing Home Sales MoM	Aug.	-2.3%	-5.9%
Thursday, 22-Sept.	US	01:00	FOMC Rate Decision (Lower/ Upper)	Sept. 21	3.00%/3.25%	2.25%/2.50%
	ID	14:20	Bank Indonesia 7D Reverse Repo	Sept.	4.00%	3.75%
	UK	18:00	Bank of England Bank Rate	Sept. 22	2.25%	1.75%
	US	19:30	Initial Jobless Claims	Sept. 17	--	213K
Friday, 23-Sept.	US	20:45	S&P Global US Manufacturing PMI	Sept. P	51.3	51.5
	US	20:45	S&P Global US Services PMI	Sept. P	45.0	43.7
	US	20:45	S&P Global US Composite PMI	Sept. P	--	44.6

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday, 19-Sept.	RUPS	VRNA, JSKY, CASH
	Cum Dividend	--
Tuesday, 20-Sept.	RUPS	BIPI
	Cum Dividend	--
Wednesday, 21-Sept.	RUPS	HEXA
	Cum Dividend	MBAP, BSSR
Thursday, 22-Sept.	RUPS	PJAA, CNTX, ARKO, APII
	Cum Dividend	--
Friday, 23-Sept.	RUPS	BRIS
	Cum Dividend	SMMT

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							3,462.7							
BBCA	8,450	7,300	9,000	Overweight	6.5	30.0	1,041.7	29.8x	5.1x	17.9	1.7	3.6	24.6	0.9
BBRI	4,500	4,110	5,500	Buy	22.2	23.6	682.0	14.5x	2.4x	18.1	3.9	8.4	46.2	1.2
BBNI	8,950	6,750	10,700	Buy	19.6	69.7	166.9	11.4x	1.3x	12.1	1.6	2.7	74.9	1.4
BMRI	9,100	7,025	10,000	Overweight	9.9	48.0	424.7	11.9x	2.1x	18.2	4.0	7.0	61.6	1.2
Consumer Non-Cyclicals							1,128.9							
ICBP	8,650	8,700	9,800	Overweight	13.3	5.2	100.9	19.8x	2.8x	14.8	2.5	15.6	(39.9)	0.5
UNVR	4,630	4,110	5,700	Buy	23.1	15.5	176.6	28.8x	38.7x	143.2	3.2	#N/A	N/A	0.5
GGRM	23,375	30,600	32,700	Buy	39.9	(27.7)	45.0	10.6x	0.8x	7.3	9.6	1.8	(59.4)	0.7
HMSP	890	965	950	Overweight	6.7	(8.7)	103.5	17.3x	4.2x	23.9	7.1	12.3	(27.8)	0.9
CPIN	5,500	5,950	6,600	Buy	20.0	(16.0)	90.2	28.1x	3.5x	12.3	2.0	12.4	(15.0)	0.8
AALI	9,100	9,500	11,000	Buy	20.9	6.7	17.5	8.2x	0.8x	10.6	5.1	1.2	24.6	0.9
Consumer Cyclicals							378.2							
ERAA	454	600	640	Buy	41.0	(21.0)	7.2	7.5x	1.1x	16.1	5.0	9.6	(8.6)	0.6
MAPI	1,080	710	1,000	Underweight	(7.4)	44.0	17.9	14.9x	2.6x	19.1	N/A	34.1	287.5	1.0
Healthcare							254.9							
KLBF	1,900	1,615	1,850	Hold	(2.6)	31.9	89.1	26.7x	4.6x	18.0	1.8	12.2	9.9	0.6
SIDO	710	865	900	Buy	26.8	(8.9)	21.3	17.6x	6.6x	37.6	5.3	(2.6)	(11.2)	0.5
MIKA	2,660	2,260	3,000	Overweight	12.8	11.8	37.9	32.7x	7.5x	21.8	1.4	(13.3)	(11.4)	0.1
Infrastructure							958.72							
TLKM	4,410	4,040	4,940	Overweight	12.0	28.2	436.9	17.1x	3.6x	23.4	3.4	#N/A	N/A	1.0
JSMR	3,550	3,890	5,100	Buy	43.7	(9.7)	25.8	14.0x	1.2x	9.2	N/A	5.0	142.7	0.9
EXCL	2,500	3,170	3,800	Buy	52.0	(15.8)	26.8	22.5x	1.3x	6.0	2.0	8.5	(13.4)	0.9
TOWR	1,190	1,125	1,520	Buy	27.7	(11.5)	60.7	17.3x	4.6x	29.2	2.0	33.9	0.0	0.5
TBIG	2,750	2,950	3,240	Buy	17.8	(8.3)	62.3	35.2x	4.9x	16.0	1.3	11.2	22.4	0.3
WIKA	1,100	1,105	1,280	Buy	16.4	1.9	9.9	471.1x	0.8x	0.2	N/A	6.2	N/A	1.4
PTPP	1,060	990	1,700	Buy	60.4	2.4	6.6	24.3x	0.6x	2.5	N/A	39.7	0.0	1.5

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							241.7							
CTRA	1,080	970	1,500	Buy	38.9	13.7	20.0	8.8x	1.1x	13.4	1.3	16.0	107.7	1.3
PWON	515	464	690	Buy	34.0	7.3	24.8	14.8x	1.5x	10.5	0.8	11.8	62.2	1.3
Energy							975.2							
PGAS	1,830	1,375	1,770	Hold	(3.3)	61.9	44.4	8.2x	1.1x	14.6	6.8	14.2	96.9	1.3
PTBA	4,320	2,710	4,900	Overweight	13.4	79.3	49.8	4.0x	2.2x	61.8	15.9	79.0	237.1	1.0
ADRO	3,930	2,250	3,900	Hold	(0.8)	182.7	125.7	4.2x	1.6x	44.5	7.7	126.6	634.5	1.1
Industrial							510.4							
UNTR	34,325	22,150	32,000	Underweight	(6.8)	58.5	128.0	7.9x	1.6x	22.6	3.6	62.0	129.2	0.8
ASII	6,900	5,700	8,000	Buy	15.9	28.4	279.3	9.5x	1.5x	17.1	3.5	33.8	106.0	0.9
Basic Ind.							965.2							
SMGR	6,875	7,250	9,500	Buy	38.2	(21.2)	40.8	19.8x	1.1x	5.9	2.5	(2.1)	4.5	1.1
INTP	9,925	12,100	12,700	Buy	28.0	(5.7)	36.5	24.2x	1.9x	7.3	5.0	3.7	(47.2)	1.1
INCO	6,525	4,680	8,200	Buy	25.7	34.3	64.8	16.8x	1.9x	11.8	N/A	36.1	155.9	1.5
ANTM	2,040	2,250	3,450	Buy	69.1	(15.4)	49.0	22.0x	2.3x	10.8	1.9	8.7	31.5	2.1

Source : Bloomberg, NHKSI Research

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