

Weekly Brief (Sept. 5 – 9, 2022)

Summary:

Last week review:

Economists are wary of Core Inflation hitting 3%, indicating inflation has reached producer levels. Although the August Headline Inflation was maintained below 5% on an annual basis, and recorded a deflation of 0.21% on a monthly basis. However, the annual Core Inflation in the same period booked 3.04% (Vs. Jul. 2.86%). This increase also occurred when there was no increase in Administered Prices (such as fuel and electricity) for the August period, indicating that producers had anticipated inflation expectations by increasing the prices of a number of goods. NHKSI Research sees that both supply restrictions and subsidized fuel price increases will have a propagation impact on Core Inflation. Meanwhile, limiting the supply of subsidized fuel means that people are directed to use non-subsidized fuel. In the end, inflation expectations mean investors expect a higher Expected Return on investment instruments.

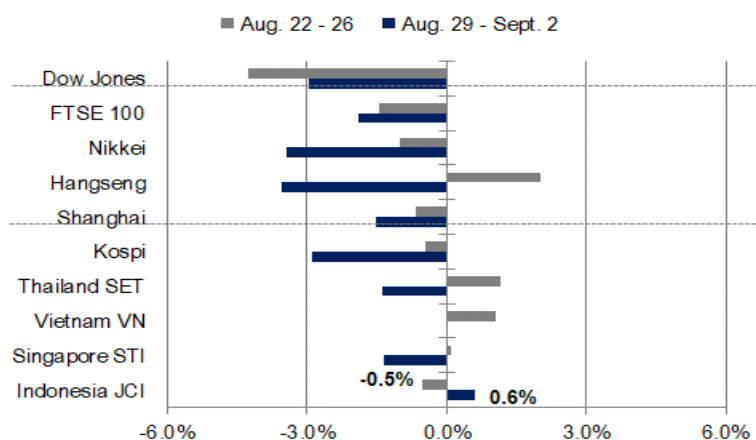
This week's outlook:

Short term pain for long term gain. The Government's decision to increase subsidized fuel prices by more than 30%, for both Pertalite to IDR10,000/Liter and Diesel to IDR6,800/Liter, made transportation and logistics costs higher, which in turn pushed up food prices and inflation. Meanwhile, NHKSI Research is observing the shifting of fuel subsidy allocations to more productive sectors, such as: building infrastructure and strategic industries. We project that this week, JCI will move in the range of Support: 7.140-7,135 / 7.080-7,060/7,040/7,000/6,950 and Resistance: 7,200-7,230 / 7,260 / 7,300 / 7,350-7,360.

JCI Index	: 7,177.17 (+0.6%)
Foreign Flow	: Net buy of IDR 2.4 trillion (Vs. last week's net buy of IDR 1.8 trillion)
USD/IDR	: 14,897 (+0.5%)

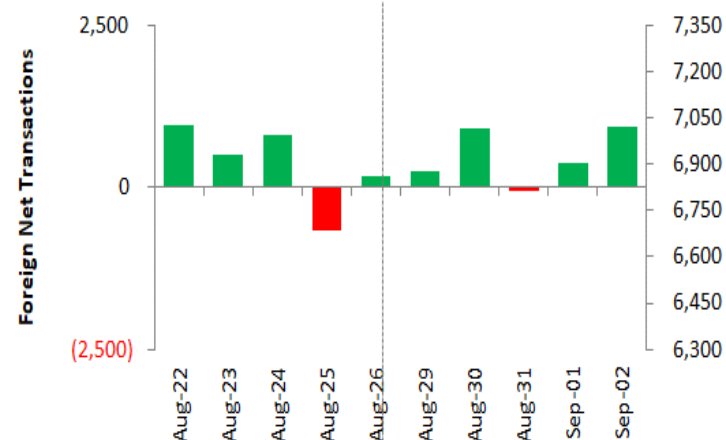
Last Week's JCI Movement

Global Market Movement



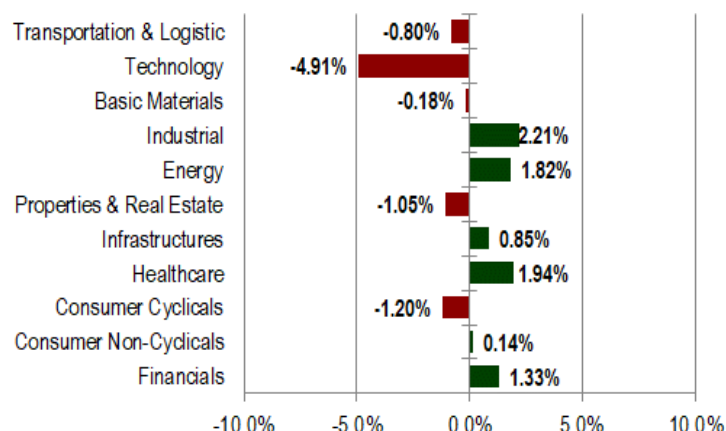
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



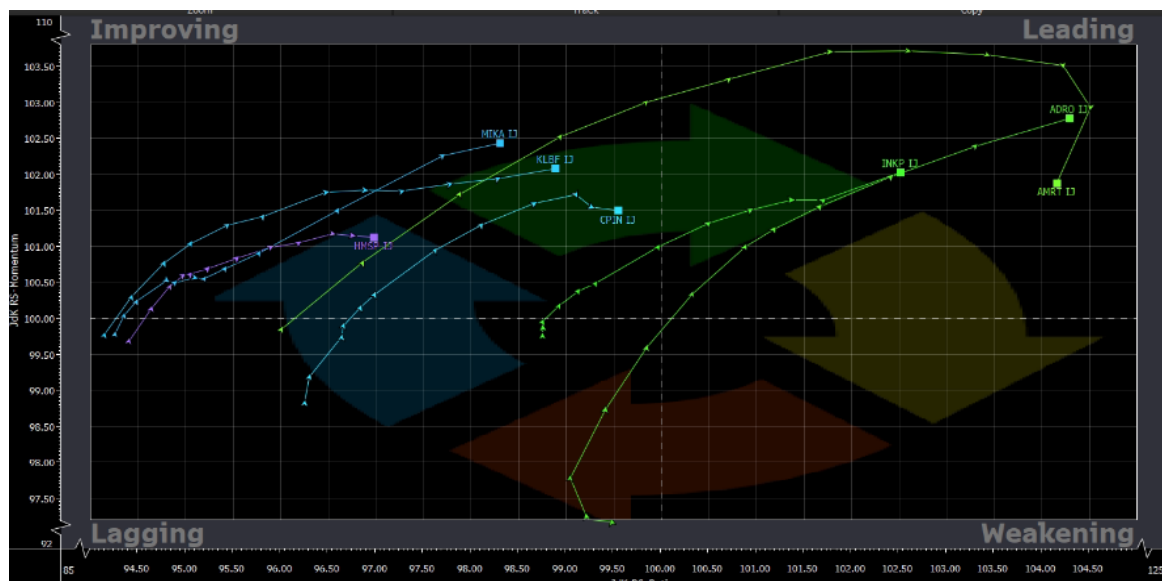
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Bn)	Top Sell (RG)	NS Value (IDR Mn)
BBCA	773.3	TBIG	166.6
BMRI	425.1	MTEL	45.6
BBNI	256.6	ARTO	40.9
ADRO	172.7	SIDO	39.6
ASII	155.8	ISAT	38.2

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
ADRO	4,140	3,590
AMRT	2,400	1,970
CPIN	6,500-6,600	5,775
HMSP	930-940	890
INKP	9,275 / 9,800	8,400
KLBF	1,710-1,730	1,645
MIKA	2,750-2,800	2,590

Source: Bloomberg, NHKSI Research

Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 5-Sept.	CH	08:45	Caixin China PMI Composite	Aug.	--	54.0
	CH	08:45	Caixin China PMI Services	Aug.	54.0	55.5
	GE	14:55	S&P Global Germany Services PMI	Aug. F	48.2	48.2
	GE	14:55	S&P Global Germany Composite PMI	Aug. F	47.6	47.6
Tuesday, 6-Sept.	GE	13:00	Factory Orders MoM	Jul.	-0.4%	-0.4%
	US	20:45	S&P Global US Services PMI	Aug. F	44.2	44.1
	US	20:45	S&P Global US Composite PMI	Aug. F	45.0	45.0
	US	21:00	ISM Services Index	Aug.	55.2	56.7
Wednesday, 7-Sept.	ID	10:00	Foreign Reserves	Aug.	--	\$132.20Bn
	ID	--	Consumer Confidence Index	Aug.	--	123.2
	US	18:00	MBA Mortgage Applications	Sept. 2	--	-3.7%
	US	19:30	Trade Balance	Jul.	-\$70.1Bn	-\$79.6Bn
Thursday, 8-Sept.	EC	19:15	ECB Main Refinancing Rate	Sept. 8	1.000%	0.500%
	EC	19:15	ECB Marginal Lending Facility	Sept. 8	--	0.750%
	EC	19:15	ECB Deposit Facility Rate	Sept. 8	0.625%	0.000%
	US	19:30	Initial Jobless Claims	Sept. 3	--	232K
Friday, 9-Sept.	US	21:00	Wholesale Inventories MoM	Jul. F	0.8%	0.8%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday, 5-Sept.	RUPS	--
	Cum Dividend	--
Tuesday, 6-Sept.	RUPS	--
	Cum Dividend	SMSM
Wednesday, 7-Sept.	RUPS	BPTR, AVIA
	Cum Dividend	--
Thursday, 8-Sept.	RUPS	BLTZ
	Cum Dividend	--
Friday, 9-Sept.	RUPS	MTWI, MITI, GDYR
	Cum Dividend	GEMS

Source: NHKSI Research

NHKS Stock 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							3,342.7							
BBCA	8,225	7,300	9,000	Overweight	9.4	24.6	1,013.9	29.0x	5.0x	17.9	1.8	3.6	24.6	0.9
BBRI	4,450	4,110	5,500	Buy	23.6	16.1	674.4	14.3x	2.4x	18.1	3.9	8.4	46.2	1.2
BBNI	8,700	6,750	10,700	Buy	23.0	59.6	162.2	11.0x	1.3x	12.1	1.7	2.7	74.9	1.4
BMRI	8,850	7,025	10,000	Overweight	13.0	44.5	413.0	11.5x	2.0x	18.2	4.1	7.0	61.6	1.2
Consumer Non-Cyclicals							1,132.6							
ICBP	8,725	8,700	10,400	Buy	19.2	2.9	101.8	20.0x	2.8x	14.8	2.5	15.6	(39.9)	0.5
UNVR	4,550	4,110	5,700	Buy	25.3	7.3	173.6	28.3x	38.0x	143.2	3.3	#N/A	N/A	0.5
GGRM	23,700	30,600	32,700	Buy	38.0	(28.4)	45.6	10.7x	0.8x	7.3	9.5	1.8	(59.4)	0.8
HMSP	900	965	950	Overweight	5.6	(11.3)	104.7	17.5x	4.2x	23.9	7.0	12.3	(27.8)	0.9
CPIN	5,925	5,950	6,600	Overweight	11.4	(7.8)	97.2	30.3x	3.8x	12.3	1.8	12.4	(15.0)	0.8
AALI	9,025	9,500	11,000	Buy	21.9	4.6	17.4	8.1x	0.8x	10.6	5.1	1.2	24.6	0.9
Consumer Cyclicals							382.3							
ERAA	472	600	640	Buy	35.6	(20.0)	7.5	7.7x	1.2x	16.1	4.8	9.6	(8.6)	0.7
MAPI	1,050	710	1,000	Hold	(4.8)	38.2	17.4	14.5x	2.5x	19.1	N/A	34.1	287.5	1.0
Healthcare							248.8							
KLBF	1,675	1,615	1,800	Overweight	7.5	16.3	78.5	23.6x	4.1x	18.0	2.1	12.2	9.9	0.6
SIDO	715	865	900	Buy	25.9	(8.8)	21.5	17.8x	6.6x	37.6	5.3	(2.6)	(11.2)	0.4
MIKA	2,680	2,260	3,000	Overweight	11.9	13.1	38.2	33.0x	7.5x	21.8	1.3	(13.3)	(11.4)	0.2
Infrastructure							978.35							
TLKM	4,600	4,040	4,940	Overweight	7.4	35.7	455.7	17.8x	3.8x	23.4	3.3	#N/A	N/A	1.0
JSMR	3,450	3,890	5,100	Buy	47.8	(13.3)	25.0	13.6x	1.2x	9.2	N/A	5.0	142.7	1.0
EXCL	2,630	3,170	3,800	Buy	44.5	(1.1)	28.2	23.7x	1.4x	6.0	1.9	8.5	(13.4)	0.9
TOWR	1,250	1,125	1,520	Buy	21.6	(10.1)	63.8	18.2x	4.8x	29.2	1.9	33.9	0.0	0.5
TBIG	2,910	2,950	3,240	Overweight	11.3	(5.2)	65.9	36.7x	6.5x	17.9	1.2	15.4	62.0	0.3
WIKA	1,050	1,105	1,280	Buy	21.9	10.5	9.4	449.7x	0.7x	0.3	N/A	6.2	N/A	1.4
PTPP	995	990	1,700	Buy	70.9	8.2	6.2	22.8x	0.6x	2.5	N/A	39.7	0.0	1.5

Source : Bloomberg, NHKSI Research

NHKSII 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							228.3							
CTRA	975	970	1,500	Buy	53.8	6.6	18.1	8.0x	1.0x	13.4	1.4	16.0	107.7	1.3
PWON	490	464	690	Buy	40.8	7.5	23.6	14.1x	1.4x	10.5	0.8	11.8	62.2	1.3
Energy							917.3							
PGAS	1,815	1,375	1,770	Hold	(2.5)	71.2	44.0	8.1x	1.1x	14.6	6.9	14.2	96.9	1.4
PTBA	4,260	2,710	4,900	Buy	15.0	86.0	49.1	4.0x	2.2x	61.8	16.2	79.0	237.1	1.0
ADRO	3,780	2,250	3,900	Hold	3.2	179.0	120.9	4.0x	1.5x	44.5	8.0	126.6	634.5	1.1
Industrial							495.9							
UNTR	33,900	22,150	32,000	Underweight	(5.6)	58.6	126.5	7.8x	1.6x	22.6	3.7	62.0	129.2	0.8
ASII	6,925	5,700	8,000	Buy	15.5	29.4	280.3	9.5x	1.5x	17.1	3.5	33.8	106.0	1.0
Basic Ind.							944.1							
SMGR	6,425	7,250	9,500	Buy	47.9	(30.2)	38.1	18.4x	1.1x	6.0	2.7	0.7	10.5	1.1
INTP	9,475	12,100	12,700	Buy	34.0	(14.6)	34.9	23.1x	1.8x	7.3	5.3	#N/A	N/A	1.1
INCO	5,775	4,680	8,200	Buy	42.0	13.2	57.4	15.0x	1.7x	11.8	N/A	36.1	155.9	1.5
ANTM	1,900	2,250	3,450	Buy	81.6	(19.1)	45.7	16.9x	2.0x	12.8	2.0	5.8	132.5	2.0

Source : Bloomberg, NHKSII Research

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