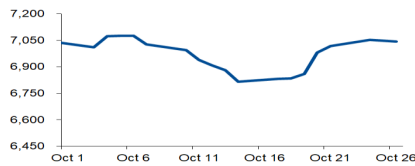


Morning Brief

Daily | Oct. 27, 2022

JCI Movement



Today's Outlook:

Several Big Cap. Tech performances were depressed, Nasdaq weakened by 2%. Google's parent company, Alphabet, reported a slowdown in revenue growth as competition tightened on digital advertising. Alphabet also reported YouTube ad revenue that missed market expectations. Moreover, Microsoft's performance pressure occurred due to a slowdown in the growth of the Cloud Azure and Software Guidance. On the other hand, the Bank of Canada's Dovish stance has raised the interest by only +50Bps (Vs. Surv. +75Bps) to 3.75% in October, thus giving hope to the Fed in slowing the pace of the FFR hike. This positive sentiment restrained the pressure in the Wall Street stock market before finally closing with mixed.

The October inflation rate is subsiding. Based on a Bloomberg Survey, Indonesia's Headline Inflation rate for October is projected to be only 0.09% MoM. Besides the normalization of several food commodity prices, NHKSI Research sees the impact of the significant increase in subsidized fuel prices by up to 30%, as reflected in the September inflation rate. Headline Inflation in September reached 1.17% MoM, compared to August, which recorded deflation of 0.21% MoM. Moreover, the selective sell-off of investors after the release of several Big Four Bank Earning Results weakened the Financial Sector by more than 1%. Meanwhile, the Technology Sector strengthened by up to 3%, withstanding the pressure on the JCI, which managed to close at 7,043. Thus, we project JCI today to move in a consolidation again or tend to be sideways.

Company News

ADCP : Achieve Marketing Sales of IDR934 Billion

DSNG : Recorded a Profit of IDR898 Billion

TAPG : Performance Going Upward in 3Q22

Domestic & Global News

The 2023 State Budget Deficit Will Return Below 3% of GDP

U.S. Mortgage Interest Rates Jump to 7.16%

Sectors

	Last	Chg.	%
Finance	1490.17	-22.95	-1.52%
Infrastructure	937.31	-0.35	-0.04%
Property	688.79	0.65	0.09%
Basic Material	1242.62	2.19	0.18%
Industrial	1288.10	7.18	0.56%
Transportation & Logistic	1778.24	9.91	0.56%
Consumer Cyclical	857.84	5.26	0.62%
Healthcare	1509.67	12.62	0.84%
Consumer Non-Cyclicals	740.06	7.04	0.96%
Energy	2036.49	25.13	1.25%
Technology	6679.65	213.03	3.29%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	4.25%	Real GDP	5.44%	5.01%
FX Reserve (USD bn)	130.80	132.20	Current Acc (USD bn)	0.41	4.97
Trd Balance (USD bn)	4.99	5.76	Govt. Spending Yoy	-5.24%	-7.74%
Exports Yoy	20.28%	30.15%	FDI (USD bn)	4.28	4.70
Imports Yoy	22.02%	32.81%	Business Confidence	104.82	105.33
Inflation Yoy	5.95%	4.69%	Cons. Confidence*	117.20	124.70

JCI Index

October 26 7,043.94

Chg. 4.44 pts (-0.06%)

Volume (bn shares) 21.42

Value (IDR tn) 12.19

Up 258 Down 235 Unchanged 165

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BBCA	748.9	GOTO	333.8
BBRI	748.3	TCPI	292.4
BUMI	447.7	ADRO	278.3
TLKM	369.9	BBNI	239.9
BMRI	355.8	UNTR	221.9

Foreign Transaction

(IDR bn)

Buy	4,166
Sell	3,950
Net Buy (Sell)	216

Top Buy	NB Val.	Top Sell	NS Val.
ICBP	122.1	BBCA	149.5
UNTR	77.8	BBRI	140.3
ADRO	56.0	ASII	67.7
ITMG	54.2	TLKM	66.2
ANTM	39.5	BMRI	26.0

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.64%	-0.03%
USDIDR	15,570	-0.34%
KRWIDR	10.91	0.10%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,839.11	2.37	0.01%
S&P 500	3,830.60	(28.51)	-0.74%
FTSE 100	7,056.07	42.59	0.61%
DAX	13,195.81	142.85	1.09%
Nikkei	27,431.84	181.56	0.67%
Hang Seng	15,317.67	152.08	1.00%
Shanghai	2,999.50	23.22	0.78%
Kospi	2,249.56	14.49	0.65%
EIDO	23.65	(0.04)	-0.17%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,664.6	11.4	0.69%
Crude Oil (\$/bbl)	87.91	2.59	3.04%
Coal (\$/ton)	386.50	(1.65)	-0.43%
Nickel LME (\$/MT)	22,670	348.0	1.56%
Tin LME (\$/MT)	18,682	205.0	1.11%
CPO (MYR/Ton)	4,121	(6.0)	-0.15%

ADCP : Achieve Marketing Sales of IDR934 Billion

PT Adhi Commuter Properti Tbk (ADCP) pocketed marketing sales of IDR934 billion up to 3Q22 or jumped by 56.4% YoY. The revenue was supported by three projects, including the Adhi City Sentul landed house projects, as well as the LRT City Tebet and LRT City Bekasi apartment projects. The company is optimistic that its marketing sales can reach the IDR1 trillion level before the end of 2022. (Kontan)

DSNG : Recorded a Profit of IDR898 Billion

PT Dharma Satya Nusantara Tbk (DSNG) recorded a net profit of IDR898 billion, which grew 112% YoY. The increase was triggered by the rise in CPO's average price and sales volume compared to 3Q21. In addition, the excellent performance of the wood products business segment during 9M22 also boosted the profit growth. Additionally, the Company recorded sales at 6.6 trillion. (Kontan)

TAPG : Performance Going Upward in 3Q22

PT Triputra Agro Persada Tbk (TAPG) recorded a performance growth as of September 2022. The increase was in line with the Company's production raise. The Company's core fresh fruit bunches (FFB) production grew 40% YoY in the third quarter. Throughout 9M22, the Company pocketed sales of IDR6.74 trillion. Additionally, the current period profit has reached IDR2.42 trillion or soared 228.78 YoY. (Kontan)

Domestic & Global News

The 2023 State Budget Deficit Will Return Below 3% of GDP

The government returned the deficit to return the state budget next year to become normal again after having to work harder due to the shock of the last Covid-19 pandemic. For information, the 2023 state budget deficit is set at 2.84% of GDP or nominally IDR598.2 trillion. Gradually, the state budget deficit has decreased from 6.14% in 2020 to 4.57% in 2021, then down to 4.50% in Presidential Regulation no. 98 of 2022. (Kontan)

U.S. Mortgage Interest Rates Jump to 7.16%

The average interest rate on the most popular U.S. home loan rose to its highest level since 2001 as tightening financial conditions weigh on the housing sector. The average contract rate on a 30-year fixed-rate mortgage rose by 22Bps to 7.16% for the week ended Oct. 21 while the MBA's Market Composite Index, a measure of mortgage loan application volume, fell 1.7% from a week earlier. The yield on the 10-year note acts as a benchmark for mortgage rates. (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							3,454.3							
BBCA	8,550	7,300	9,000	Overweight	5.3	14.8	1,054.0	28.4x	5.0x	18.1	1.7	6.4	24.9	0.9
BBRI	4,530	4,110	5,500	Buy	21.4	5.6	686.6	14.6x	2.4x	18.1	3.8	8.4	46.2	1.2
BBNI	9,225	6,750	10,700	Buy	16.0	30.4	172.0	10.2x	1.3x	13.5	1.6	5.0	76.3	1.4
BMRI	10,200	7,025	10,000	Hold	(2.0)	42.7	476.0	12.1x	2.2x	19.3	3.5	15.3	59.3	1.1
Consumer Non-Cyclicals							1,205.0							
ICBP	9,800	8,700	9,800	Hold	-	10.7	114.3	22.4x	3.2x	14.8	2.2	15.6	(39.9)	0.5
UNVR	5,400	4,110	5,700	Overweight	5.6	18.9	206.0	33.5x	45.1x	143.2	2.8	6.4	12.5	0.5
GGRM	25,000	30,600	32,700	Buy	30.8	(27.5)	48.1	11.3x	0.9x	7.3	9.0	1.8	(59.4)	0.7
HMSP	1,005	965	950	Underweight	(5.5)	(4.3)	116.9	19.5x	4.7x	23.9	6.3	12.3	(27.8)	0.8
CPIN	5,675	5,950	6,600	Buy	16.3	(11.0)	93.1	29.0x	3.6x	12.3	1.9	12.4	(15.0)	0.8
AALI	8,550	9,500	11,000	Buy	28.7	(15.3)	16.5	7.7x	0.8x	10.6	5.2	1.2	24.6	0.9
Consumer Cyclicals							361.6							
ERAA	412	600	620	Buy	50.5	(34.1)	6.6	6.8x	1.0x	16.1	5.5	9.6	(8.6)	0.7
MAPI	1,185	710	1,300	Overweight	9.7	34.7	19.7	16.4x	2.9x	19.1	N/A	34.1	287.5	0.9
Healthcare							266.3							
KLBF	2,040	1,615	1,850	Underweight	(9.3)	27.5	95.6	28.7x	5.0x	18.0	1.7	12.2	9.9	0.7
SIDO	715	865	900	Buy	25.9	(15.9)	21.5	19.2x	6.1x	33.9	3.2	(5.9)	(17.4)	0.5
MIKA	2,980	2,260	3,000	Hold	0.7	31.9	42.5	36.6x	8.4x	21.8	1.2	(13.3)	(11.4)	0.1
Infrastructure							906.64							
TLKM	4,370	4,040	4,940	Overweight	13.0	15.3	432.9	16.9x	3.6x	23.4	3.4	3.6	6.9	1.0
JSMR	3,480	3,890	5,100	Buy	46.6	(17.3)	25.3	17.2x	1.2x	7.3	N/A	9.6	(14.1)	0.9
EXCL	2,420	3,170	3,800	Buy	57.0	(21.2)	26.0	21.8x	1.3x	6.0	2.1	8.5	(13.4)	0.9
TOWR	1,145	1,125	1,520	Buy	32.8	(0.4)	58.4	16.7x	4.4x	29.2	2.1	33.9	0.0	0.5
TBIG	2,380	2,950	3,240	Buy	36.1	(16.8)	53.9	30.4x	4.3x	16.0	1.5	11.2	22.4	0.4
WIKA	905	1,105	1,280	Buy	41.4	(28.2)	8.1	387.6x	0.6x	0.2	N/A	6.2	N/A	1.3
PTPP	900	990	1,700	Buy	88.9	(25.6)	5.6	20.6x	0.5x	2.5	N/A	39.7	0.0	1.4
Property & Real Estate							225.6							
CTRA	925	970	1,500	Buy	62.2	(14.0)	17.2	7.6x	1.0x	13.4	1.5	16.0	107.7	1.2
PWON	450	464	690	Buy	53.3	(11.8)	21.7	13.0x	1.3x	10.5	0.9	11.8	62.2	1.2
Energy							1,001.5							
PGAS	1,920	1,375	1,770	Underweight	(7.8)	27.6	46.5	8.6x	1.2x	13.9	6.5	18.8	25.0	1.2
PTBA	3,810	2,710	4,900	Buy	28.6	37.1	43.9	3.5x	1.9x	61.8	18.1	79.0	237.1	1.0
ADRO	3,930	2,250	3,900	Hold	(0.8)	127.2	125.7	4.0x	1.5x	44.5	7.7	126.6	634.5	1.1
Industrial							477.2							
UNTR	33,200	22,150	32,000	Hold	(3.6)	35.5	123.8	7.7x	1.6x	22.6	5.2	62.0	129.2	0.8
ASII	6,575	5,700	8,000	Buy	21.7	9.6	266.2	9.0x	1.4x	17.1	4.3	33.8	106.0	1.0
Basic Ind.							919.2							
SMGR	7,475	7,250	9,500	Buy	27.1	(13.6)	44.3	21.6x	1.2x	5.9	2.3	(2.1)	4.5	1.1
INTP	9,250	12,100	12,700	Buy	37.3	(18.7)	34.1	22.5x	1.7x	7.3	5.4	3.7	(47.2)	1.0
INCO	6,700	4,680	8,200	Buy	22.4	39.6	66.6	16.7x	1.9x	11.8	N/A	#N/A	N/A	1.4
ANTM	1,810	2,250	3,450	Buy	90.6	(23.0)	43.5	19.5x	2.0x	10.8	2.1	8.7	31.5	2.0

* Target Price

Source: Bloomberg, NHKS Research

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	EC	15:00	S&P Global Eurozone Mfg. PMI	Oct. P	46.6	47.9	48.4
24 - Oct.	US	20:45	S&P Global US Manufacturing PMI	Oct. P	49.9	51.0	52.0
	US	20:45	S&P Global US Services PMI	Oct. P	46.6	49.5	49.3
	US	20:45	S&P Global US Composite PMI	Oct. P	47.3	49.2	49.5
	US	21:00	Conf. Board Consumer Confidence	Oct.	102.5	105.9	107.8
Tuesday	—	—	—	—	—	—	—
25 - Oct.	US	18:00	MBA Mortgage Applications	Oct. 21	-1.7%	--	-4.5%
	US	19:30	Wholesale Inventories MoM	Sept. P	0.8%	1.0%	1.4%
	US	19:30	Retail Inventories MoM	Sept.	0.4%	1.2%	1.4%
	US	21:00	New Home Sales	Sept.	603K	580K	677K
Thursday	US	19:30	GDP Annualized QoQ	3Q A		2.3%	-0.6%
	US	19:30	Durable Goods Orders	Sept. P		0.6%	-0.2%
	US	19:30	Personal Consumption	3Q A		0.8%	2.0%
	US	19:30	Initial Jobless Claims	Oct. 22		225K	214K
Friday	US	19:30	Personal Income	Sept.		0.4%	0.3%
	US	19:30	Personal Spending	Sept.		0.4%	0.4%
	US	21:00	U. of Mich. 1Y Inflation	Oct. F		--	5.1%
	US	21:00	U. of Mich. 5-10Y Inflation	Oct. F		2.9%	2.9%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	SAPX
24 - Oct.	Cum Dividend	SOHO
Tuesday	RUPS	CMPP
25 - Oct.	Cum Dividend	--
Wednesday	RUPS	PTRO, KOPI
26 - Oct.	Cum Dividend	AMOR
Thursday	RUPS	PKPK
27 - Oct.	Cum Dividend	--
Friday	RUPS	MRAT
28 - Oct.	Cum Dividend	--

Source: Bloomberg



IHS projection for 27 October 2022 :

Konsolidasi - Sideways.

Wait for break out MA50 / 7100 to Average Up.

Support : 7017-7000 / 6980 / 6940-6900.

Resistance : 7100-7110 / 7140-7150.

ADVISE : Average Up accordingly.

SRTG—PT SARATOGA INVESTAMA SEDAYA TBK



PREDICTION 27 OCTOBER 2022

Overview

Pattern : Parallel Channel (Downtrend).

Advise

Buy.

Entry Level: 2520-2470.

Average Up >2550.

Target: 2630-2670 / 2820-2840 / 2980-3000.

Stoploss: 2410.

BIPI—PT ASTRINDO NUSANTARA INFRASTRUKTUR TBK



PREDICTION 27 OCTOBER 2022

Overview

Break out pattern Falling Wedge.

Uji Support MA10, MA20, dan upper wedge.

Advise

Buy

Entry Level: 145.

Average Up >150.

Target: 160 / 170 / 182 / 194.

Stoploss: 140.

AKRA—PT AKR CORPORINDO TBK



PREDICTION 27 OCTOBER 2022

Overview

Pattern : Parallel Channel (Uptrend).

Bertahan di Support lower channel tapi di bawah MA10 & MA20.

Advise

Speculative Buy

Entry Level: 1395

Average Up >1400-1425.

Target: 1450-1500 / 1670-1700.

Stoploss: 1340.

INCO—PT VALE INDONESIA TBK



PREDICTION 27 OCTOBER 2022

Overview

Pattern : Triangle (Sideways).

Advise

Speculative Buy.

Entry Level: 6700.

Average UP >6900-7000.

Target: 8000-8225 / 8500.

Stoploss: 6500.

ANTM—PT ANEKA TAMBANG TBK



PREDICTION 27 OCTOBER 2022

Overview

Pattern : Parallel Channel (Downtrend).

Advise

Buy On Break.

Entry Level: 1820-1830

Average Up >1860.

Target: 1950-2000 / 2130-2150 / 2250-2300.

Stoploss: 1750.

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