

## Weekly Brief (Oct. 10 – 14, 2022)

### Summary:

#### Last week review:

US economy Resilient, **ready for 4% FFR**. The US labor market is solid, the Unemployment Rate drops to a low of 3.50%; and ADP Employment Change Sept. added +12% MoM, indicating the US economy is poised for further FFR hikes to 4% next November, complementing Hattrick's +75Bps FFR hikes last September, July and June. On the other hand, the tight labor market contrasts with the US manufacturing data pointing to contraction, with ISM Manufacturing Sept. at level 50.9 (Vs. Aug. 52.8); or the lowest level since Pre-Pandemic 2020. Meanwhile, the RBA's policy is to only increase the Cash Rate Target Oct. +25Bps (Vs. Surv. +50Bps), making it the first Central Bank to admit that now is the time for looser monetary policy.

#### This week's outlook:

**JCI is testing the psychological level of 7,000**, ahead of the Fed Meeting Minutes. Investors see September's +75Bps FFR hike effective, as both PPI and US CPI Sept. MoM is projected to be maintained again, each recording an inflation rate of only +0.2% (Vs. Aug. -0.1% and Aug. +0.1%), based on a Bloomberg survey. Inflation is sloping, will hold back the talk of a +125Bps FFR hike until the end of 2022, or a +75Bps November and +50Bps December hike. The PPI and CPI data also provide an important overview of the inflation position which will be discussed at the Fed Meeting Minutes this week. On the other hand, investors are still anticipating the impact of OPEC+ oil production cuts, as much as 2 million BpD or 2% of global oil demand, as of next November. This will push global oil prices back up, which in turn will keep US inflation high for a long period of time.

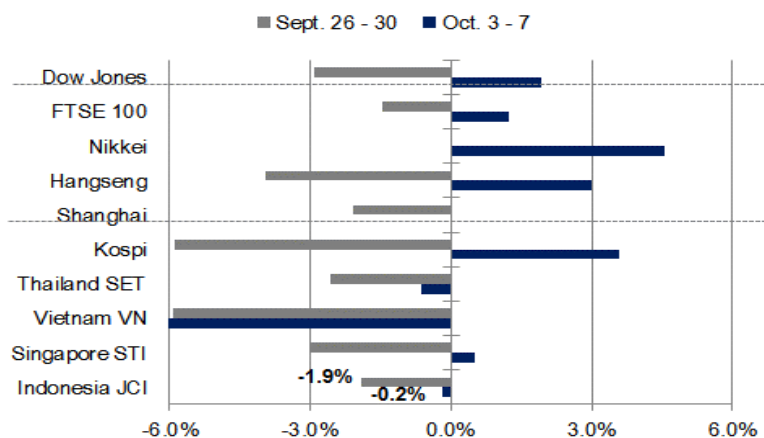
**JCI Index** : 7,026.78 (-0.2%)

**Foreign Flow** : Net buy of IDR 3.5 Trillion (Vs. last week's net sell of IDR 2.8 Trillion)

**USD/IDR** : 15,253 (+0.2%)

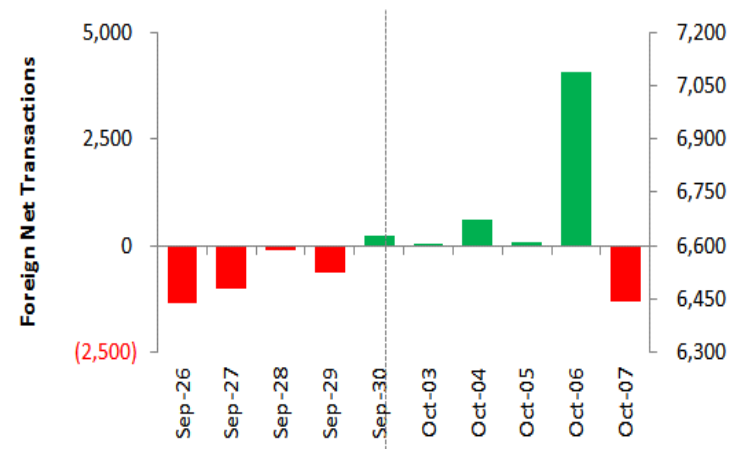
# Last Week's JCI Movement

## Global Market Movement



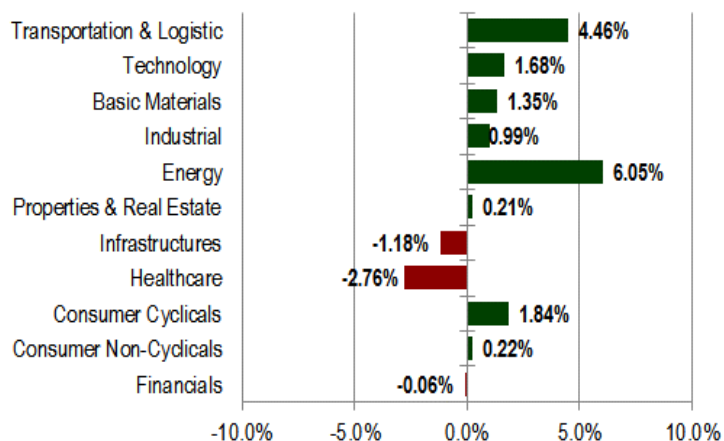
Source: Bloomberg, NHKSI Research

## Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

## JCI Sector Movement



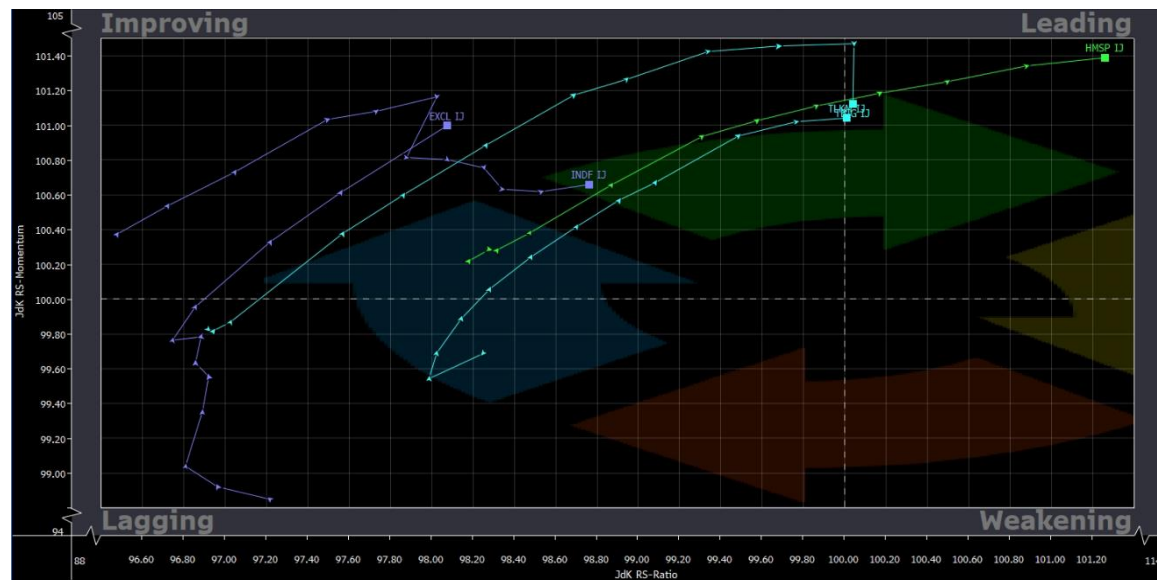
Source: Bloomberg, NHKSI Research

## JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
ADRO	216,377	BBCA	665,624
BBNI	141,861	ASII	372,640
INCO	105,057	TLKM	297,005
UNVR	103,032	BUMI	205,777
UNTR	58,103	BBRI	162,852

Source: Bloomberg, NHKSI Research

# Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
EXCL	2650 / 2720 / 2750-2780	2480
HMSP	930 / 950 / 990-1000	870
INDF	6300-6400 / 6500 / 6625-6650.	
TBIG	2900-2930 / 3000 / 3060	2720
TLKM	4500-4510 / 4650 / 4770	4290

Source: Bloomberg, NHKSI Research

# JCI Index

Support	7,000 /	Resistance	7,080 /
	6,970-6,930 /		7,140-7,150 /
	6,840-6,850		7,200-7,225



Source: NHKSI Research, Bloomberg

## Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
<b>Monday, 10-Oct.</b>	ID	--	Consumer Confidence Index	Sept.	--	124.7
<b>Tuesday, 11-Oct.</b>	--	--	--	--	--	--
<b>Wednesday, 12-Oct.</b>	US	18:00	MBA Mortgage Applications	Oct. 7	--	-14.2%
	US	19:30	PPI Final Demand MoM	Sept.	0.2%	-0.1%
	US	19:30	PPI Final Demand YoY	Sept.	8.4%	8.7%
<b>Thursday, 13-Oct.</b>	US	01:00	FED Meeting Minutes	Sept. 21	--	--
	US	19:30	CPI MoM	Sept.	0.2%	0.1%
	US	19:30	CPI YoY	Sept.	8.1%	8.3%
	US	19:30	Initial Jobless Claims	Oct. 8	--	219K
<b>Friday, 14-Oct.</b>	US	19:30	Retail Sales Advance MoM	Sept.	0.2%	0.3%
	US	19:30	Retail Sales Ex Auto MoM	Sept.	-0.1%	-0.3%
	US	19:30	Import Price Index MoM	Sept.	-1.1%	-1.0%

Source: Bloomberg, NHKSI Research

# Corporate Action Calendar

Date	Event	Company
<b>Monday, 10-Oct.</b>	RUPS	BRAM, BOSS
	Cum Dividend	--
<b>Tuesday, 11-Oct.</b>	RUPS	BUMI
	Cum Dividend	SSMS, BRAM, AUTO, ASII, AALI
<b>Wednesday, 12-Oct.</b>	RUPS	OBMD, NIRO, MBSS
	Cum Dividend	--
<b>Thursday, 13-Oct.</b>	RUPS	LPLI, BTPS
	Cum Dividend	--
<b>Friday, 14-Oct.</b>	RUPS	OMRE, KAEF
	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
<b>Finance</b>							3,359.0							
BBCA	8,200	7,300	9,000	Overweight	9.8	12.5	1,010.9	28.9x	5.0x	17.9	1.8	3.6	24.6	0.9
BBRI	4,440	4,110	5,500	Buy	23.9	6.7	672.9	14.4x	2.4x	18.1	3.9	8.4	46.2	1.2
BBNI	8,775	6,750	10,700	Buy	21.9	42.7	163.6	11.1x	1.3x	12.1	1.7	2.7	74.9	1.4
BMRI	9,425	7,025	10,000	Overweight	6.1	36.6	439.8	12.3x	2.2x	18.2	3.8	7.0	61.6	1.1
<b>Consumer Non-Cyclicals</b>							1,124.9							
ICBP	8,900	8,700	9,800	Overweight	10.1	-	103.8	20.4x	2.9x	14.8	2.4	15.6	(39.9)	0.5
UNVR	4,840	4,110	5,700	Buy	17.8	1.7	184.6	30.1x	40.4x	143.2	3.1	6.4	12.5	0.5
GGRM	22,825	30,600	32,700	Buy	43.3	(34.1)	43.9	10.3x	0.8x	7.3	9.9	1.8	(59.4)	0.7
HMSP	895	965	950	Overweight	6.1	(20.1)	104.1	17.4x	4.2x	23.9	7.1	12.3	(27.8)	0.8
CPIN	5,300	5,950	6,600	Buy	24.5	(15.9)	86.9	27.1x	3.4x	12.3	2.0	12.4	(15.0)	0.8
AALI	8,300	9,500	11,000	Buy	32.5	(17.2)	16.0	7.5x	0.8x	10.6	5.6	1.2	24.6	0.9
<b>Consumer Cyclicals</b>							370.8							
ERAA	430	600	620	Buy	44.2	(27.7)	6.9	7.1x	1.1x	16.1	5.3	9.6	(8.6)	0.6
MAPI	1,115	710	1,000	Underweight	(10.3)	42.9	18.5	15.4x	2.7x	19.1	N/A	34.1	287.5	1.0
<b>Healthcare</b>							253.3							
KLBF	1,845	1,615	1,850	Hold	0.3	33.7	86.5	26.0x	4.5x	18.0	1.9	12.2	9.9	0.6
SIDO	715	865	900	Buy	25.9	(7.7)	21.5	17.8x	6.6x	37.6	3.2	(2.6)	(11.2)	0.4
MIKA	2,720	2,260	3,000	Overweight	10.3	20.9	38.8	33.4x	7.7x	21.8	1.3	(13.3)	(11.4)	0.1
<b>Infrastructure</b>							924.39							
TLKM	4,350	4,040	4,940	Overweight	13.6	14.5	430.9	16.8x	3.6x	23.4	3.4	3.6	6.9	1.0
JSMR	3,290	3,890	5,100	Buy	55.0	(17.1)	23.9	16.2x	1.1x	7.3	N/A	9.6	(14.1)	0.9
EXCL	2,520	3,170	3,800	Buy	50.8	(16.0)	27.0	22.7x	1.3x	6.0	2.0	8.5	(13.4)	0.9
TOWR	1,200	1,125	1,520	Buy	26.7	(4.0)	61.2	17.5x	4.6x	29.2	2.0	33.9	0.0	0.5
TBIG	2,730	2,950	3,240	Buy	18.7	(6.2)	61.9	34.9x	4.9x	16.0	1.3	11.2	22.4	0.3
WIKA	955	1,105	1,280	Buy	34.0	(27.9)	8.6	409.0x	0.7x	0.2	N/A	6.2	N/A	1.4
PTPP	910	990	1,700	Buy	86.8	(23.2)	5.6	20.9x	0.5x	2.5	N/A	39.7	0.0	1.5

Source : Bloomberg, NH KSI Research

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<b>Property &amp; Real Estate</b>							225.1							
CTRA	945	970	1,500	Buy	58.7	(10.0)	17.5	7.7x	1.0x	13.4	1.5	16.0	107.7	1.2
PWON	452	464	690	Buy	52.7	(13.9)	21.8	13.0x	1.3x	10.5	0.9	11.8	62.2	1.2
<b>Energy</b>							966.6							
PGAS	1,755	1,375	1,770	Hold	0.9	18.2	42.5	8.0x	1.1x	13.9	7.1	18.8	25.0	1.3
PTBA	4,290	2,710	4,900	Overweight	14.2	54.3	49.4	4.0x	2.2x	61.8	16.0	79.0	237.1	1.0
ADRO	4,140	2,250	3,900	Underweight	(5.8)	128.1	132.4	4.3x	1.7x	44.5	7.3	126.6	634.5	1.1
<b>Industrial</b>							473.7							
UNTR	33,000	22,150	32,000	Hold	(3.0)	26.3	123.1	7.6x	1.6x	22.6	5.2	62.0	129.2	0.8
ASII	6,475	5,700	8,000	Buy	23.6	9.7	262.1	8.9x	1.4x	17.1	3.7	33.8	106.0	1.0
<b>Basic Ind.</b>							939.5							
SMGR	7,225	7,250	9,500	Buy	31.5	(10.5)	42.9	20.8x	1.2x	5.9	2.4	(2.1)	4.5	1.1
INTP	9,125	12,100	12,700	Buy	39.2	(10.3)	33.6	22.2x	1.7x	7.3	5.5	3.7	(47.2)	1.1
INCO	6,800	4,680	8,200	Buy	20.6	40.8	67.6	17.2x	1.9x	11.8	N/A	36.1	155.9	1.5
ANTM	1,935	2,250	3,450	Buy	78.3	(17.3)	46.5	20.9x	2.2x	10.8	2.0	8.7	31.5	2.1

Source : Bloomberg, NH KSI Research



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