

Weekly Brief (Oct. 17 – 21, 2022)

Summary:

Last week review:

Consumer Non-Cyclicals Resilience Vs. JCI weakened by 3%. The Non-Cyclicals Consumer sector was able to bear up or rose slightly by 0.03%; compared to Technology which was depressed by more than 8% and led the sectoral decline. NHKSI Research observes that the U.S. economic data dominate market sentiment for the week. In addition, the U.S. Unemployment Rate fell to a low of 3.5%; the PPI and CPI of U.S. Sept. at 8.5% YoY and 8.2% YoY, respectively; guarantees the FFR on Nov. by 4% level remains on track. The inflation, which remains at high levels, has the opportunity to make the U.S. PCE Core Deflator Sept. surpass the level of 5% YoY, another indicator of the Fed in determining the increase of the FFR hike. As for the Consumer Confidence Index Indonesia Sept. was still at an optimistic level, or the level of 117.2 points. Consumer Confidence has not been able to withstand the pressure of the JCI, which is close to the psychological level of 6,800.

This week's outlook:

Banking and Consumer, complement the Energy Sector. High inflation makes NHKSI Research anticipate adjustments to the Cost of Credit Banking, which will affect the Asset Quality. The increased inflation also makes consumers' priority on Consumer Goods more specific. In addition to economic data on Trade Balance, Exports, and Imports, and the BI 7DRR, this week, the investors are also anticipating the release of 3Q22 Earning Results of several Big Four Banks and Consumers. Assuming the BI 7DRR Oct. rises +50 Bps to 4.75%; with an upcoming BI RDG on Nov. and Dec., making the BI 7DRR until the end of 2022 can exceed the 5% level. On the other hand, price volatility and valuations are relatively attractive, allowing investors to watch the Energy Sector ahead of the 2 million BpD production cuts by OPEC+ starting in November. On the global side, investors continue to observe the Strong Dollar sentiment ahead of the fourth increase in FFR +75 Bps in November.

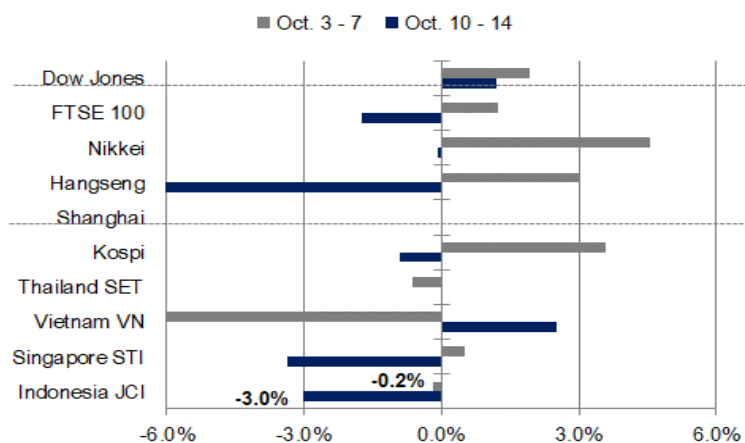
JCI Index : 6,814.53 (-3.0%)

Foreign Flow : Net sell of IDR 1.2 Trillion (Vs. last week's net buy of IDR 3.5 Trillion)

USD/IDR : 15,423 (+1.1%)

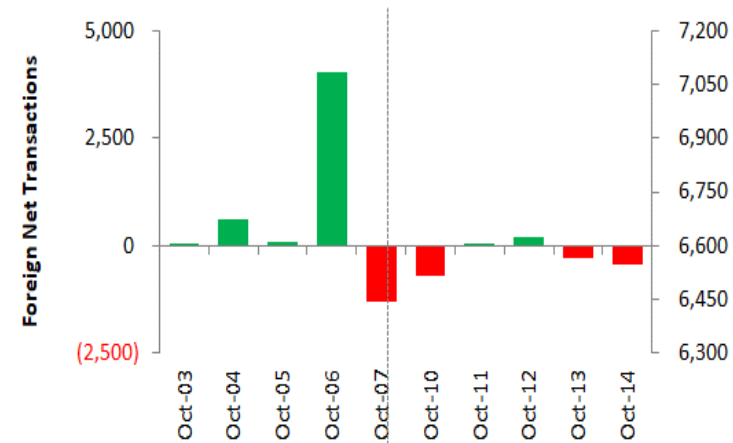
Last Week's JCI Movement

Global Market Movement



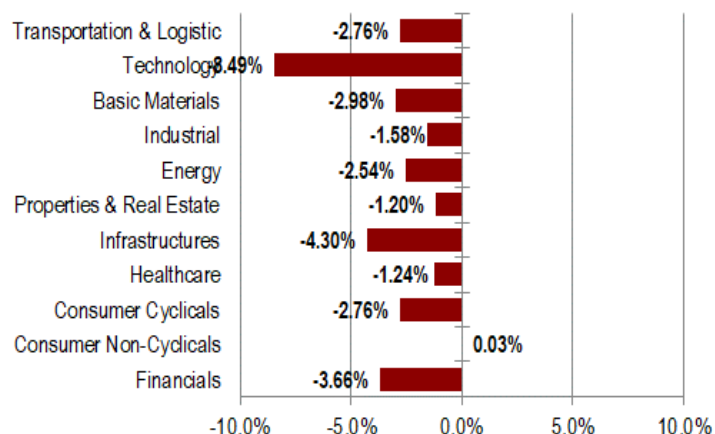
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



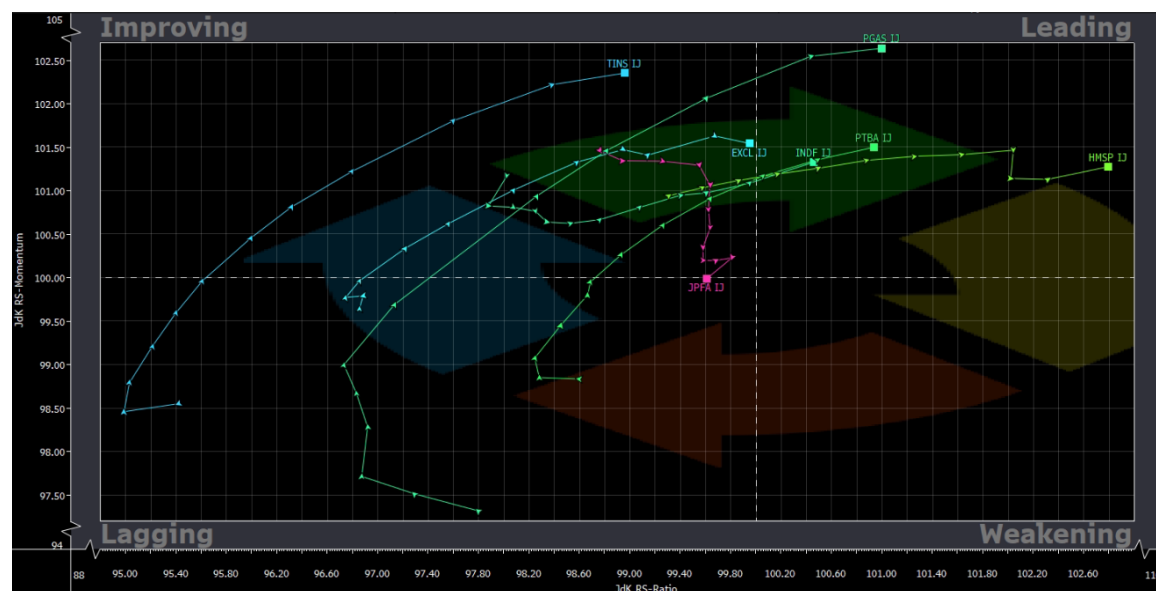
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
BMRI	405,553	BBRI	785,005
UNTR	186,489	ASII	452,369
PGAS	162,545	TLKM	411,123
BBNI	135,491	BBCA	199,694
PTBA	105,946	TOWR	91,115

Source: Bloomberg, NHKSI Research

Stocks Recommendation



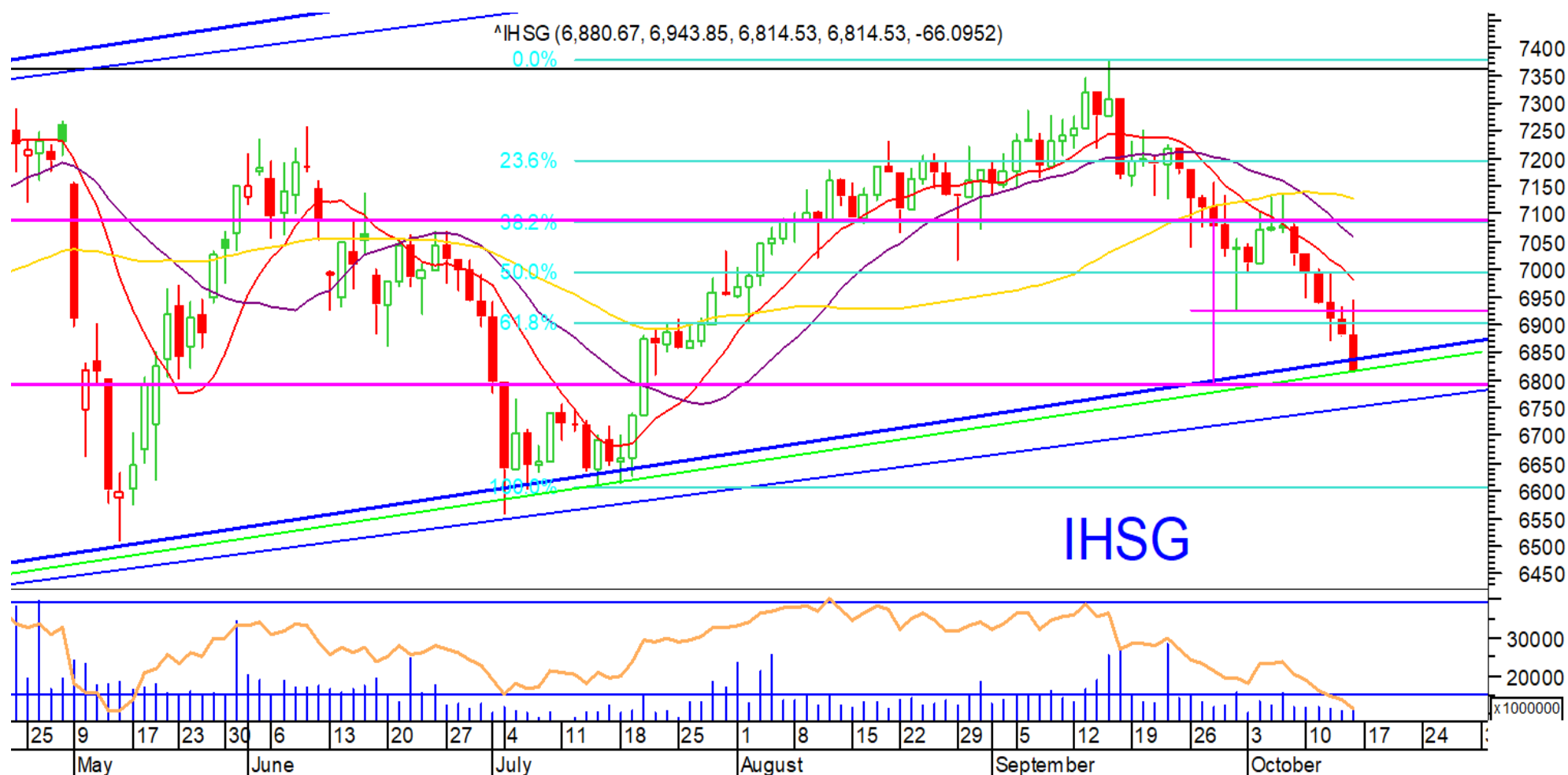
Source: Bloomberg, NHKSI Research

Stocks	TP	SL
EXCL	2,500 / 2,600	2,350
HMSP	950-960 / 990-1,000 / 1,025 / 1,060	890
INDF	6,300 / 6,500-6,600 / 6,750	5,975
JPFA	1,440 / 1,470-1,480	1,350
PGAS	1,850 / 2,000	1,750
PTBA	4,330 / 4,430	4,190
TINS	1,380-1,400 / 1,450-1,480	1,280

Source: Bloomberg, NHKSI Research

JCI Index

Support	6,790-6,800 / 6,750	Resistance	6,940-6,980 / 7,000 / 7,050 / 7,100-7,130
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Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 17-Oct.	ID	11:00	Trade Balance	Sept.	\$4.84Bn	\$5.76Bn
	ID	11:00	Exports YoY	Sept.	28.30%	30.15%
	ID	11:00	Imports YoY	Sept.	33.25%	32.81%
	US	19:30	Empire Manufacturing	Oct.	-1.0	-1.5
Tuesday, 18-Oct.	CH	09:00	Industrial Production YoY	Sept.	4.9%	4.2%
	CH	09:00	GDP YoY	3Q22	3.5%	0.4%
	CH	09:00	Retail Sales YoY	Sept.	3.2%	5.4%
	US	20:15	Industrial Production MoM	Sept.	-0.1%	-0.2%
Wednesday, 19-Oct.	EC	16:00	CPI YoY	Sept. F	10.0%	9.1%
	US	18:00	MBA Mortgage Applications	Oct. 14	--	-2.0%
	US	19:30	Building Permits	Sept.	1,550K	1,542K
	US	19:30	Housing Starts	Sept.	1,488K	1,575K
Thursday, 20-Oct.	ID	14:20	Bank Indonesia 7D Reverse Repo	Oct. 20	4.63%	4.25%
	US	19:30	Initial Jobless Claims	Oct. 15	--	228K
	US	21:00	Existing Home Sales	Sept.		
	US	21:00	Leading Index	Sept.	-0.3%	-0.3%
Friday, 21-Oct.						

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday, 17-Oct.	RUPS	ABDA
	Cum Dividend	ASGR
Tuesday, 18-Oct.	RUPS	PRDA, BBTN, AMOR
	Cum Dividend	--
Wednesday, 19-Oct.	RUPS	TAXI, ELTY, BVIC
	Cum Dividend	--
Thursday, 20-Oct.	RUPS	TRIN, AXIO
	Cum Dividend	--
Friday, 21-Oct.	RUPS	PTIS, OASA
	Cum Dividend	EAST

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							3,281.3							
BBCA	8,250	7,300	9,000	Overweight	9.1	7.8	1,017.0	29.1x	5.0x	17.9	1.8	3.6	24.6	0.9
BBRI	4,270	4,110	5,500	Buy	28.8	(1.2)	647.2	13.8x	2.3x	18.1	4.1	8.4	46.2	1.2
BBNI	8,425	6,750	10,700	Buy	27.0	24.8	157.1	10.7x	1.2x	12.1	1.7	2.7	74.9	1.4
BMRI	9,400	7,025	10,000	Overweight	6.4	31.5	438.7	12.3x	2.2x	18.2	3.8	7.0	61.6	1.1
Consumer Non-Cyclicals							1,128.8							
ICBP	8,700	8,700	9,800	Overweight	12.6	(6.2)	101.5	19.9x	2.8x	14.8	2.5	15.6	(39.9)	0.5
UNVR	4,810	4,110	5,700	Buy	18.5	(7.9)	183.5	29.9x	40.2x	143.2	3.1	6.4	12.5	0.5
GGRM	22,300	30,600	32,700	Buy	46.6	(35.2)	42.9	10.1x	0.8x	7.3	10.1	1.8	(59.4)	0.7
HMSP	940	965	950	Hold	1.1	(17.5)	109.3	18.2x	4.4x	23.9	6.7	12.3	(27.8)	0.8
CPIN	5,300	5,950	6,600	Buy	24.5	(16.5)	86.9	27.1x	3.4x	12.3	2.0	12.4	(15.0)	0.8
AALI	7,925	9,500	11,000	Buy	38.8	(24.0)	15.3	7.2x	0.7x	10.6	5.6	1.2	24.6	0.9
Consumer Cyclicals							361.0							
ERAA	402	600	620	Buy	54.2	(33.0)	6.4	6.6x	1.0x	16.1	5.7	9.6	(8.6)	0.6
MAPI	1,190	710	1,300	Overweight	9.2	35.2	19.8	16.4x	2.9x	19.1	N/A	34.1	287.5	0.9
Healthcare							250.5							
KLBF	1,845	1,615	1,850	Hold	0.3	27.7	86.5	26.0x	4.5x	18.0	1.9	12.2	9.9	0.6
SIDO	655	865	900	Buy	37.4	(15.5)	19.7	16.3x	6.1x	37.6	3.5	(2.6)	(11.2)	0.5
MIKA	2,750	2,260	3,000	Overweight	9.1	21.1	39.2	33.8x	7.7x	21.8	1.3	(13.3)	(11.4)	0.1
Infrastructure							897.73							
TLKM	4,290	4,040	4,940	Buy	15.2	12.6	425.0	16.6x	3.5x	23.4	3.5	3.6	6.9	1.0
JSMR	3,290	3,890	5,100	Buy	55.0	(25.7)	23.9	16.2x	1.1x	7.3	N/A	9.6	(14.1)	0.9
EXCL	2,380	3,170	3,800	Buy	59.7	(24.4)	25.5	21.4x	1.3x	6.0	2.1	8.5	(13.4)	0.9
TOWR	1,175	1,125	1,520	Buy	29.4	(2.5)	59.9	17.1x	4.5x	29.2	2.1	33.9	0.0	0.5
TBIG	2,530	2,950	3,240	Buy	28.1	(12.5)	57.3	32.4x	4.5x	16.0	1.4	11.2	22.4	0.4
WIKA	935	1,105	1,280	Buy	36.9	(35.1)	8.4	400.5x	0.6x	0.2	N/A	6.2	N/A	1.4
PTPP	890	990	1,700	Buy	91.0	(33.1)	5.5	20.4x	0.5x	2.5	N/A	39.7	0.0	1.5

Source : Bloomberg, NHKS 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							221.6							
CTRA	950	970	1,500	Buy	57.9	(15.9)	17.6	7.8x	1.0x	13.4	1.5	16.0	107.7	1.2
PWON	444	464	690	Buy	55.4	(16.2)	21.4	12.8x	1.3x	10.5	0.9	11.8	62.2	1.2
Energy							957.8							
PGAS	1,800	1,375	1,770	Hold	(1.7)	18.0	43.6	8.1x	1.1x	13.9	6.9	18.8	25.0	1.2
PTBA	4,230	2,710	4,900	Buy	15.8	49.5	48.7	4.0x	2.2x	61.8	16.3	79.0	237.1	1.0
ADRO	3,950	2,250	3,900	Hold	(1.3)	112.4	126.3	4.1x	1.6x	44.5	7.6	126.6	634.5	1.1
Industrial							469.3							
UNTR	33,750	22,150	32,000	Underweight	(5.2)	32.4	125.9	7.8x	1.6x	22.6	5.1	62.0	129.2	0.8
ASII	6,350	5,700	8,000	Buy	26.0	1.6	257.1	8.7x	1.4x	17.1	4.4	33.8	106.0	1.0
Basic Ind.							910.4							
SMGR	7,200	7,250	9,500	Buy	31.9	(17.9)	42.7	20.8x	1.2x	5.9	2.4	(2.1)	4.5	1.1
INTP	9,050	12,100	12,700	Buy	40.3	(20.3)	33.3	22.0x	1.7x	7.3	5.5	3.7	(47.2)	1.0
INCO	6,700	4,680	8,200	Buy	22.4	31.4	66.6	16.8x	1.9x	11.8	N/A	36.1	155.9	1.5
ANTM	1,820	2,250	3,450	Buy	89.6	(26.3)	43.7	19.6x	2.0x	10.8	2.1	8.7	31.5	2.0

Source : Bloomberg, NHKSII Research

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