

Weekly Brief (Oct. 24 – 28, 2022)

Summary:

Last week review:

The Non-Cyclical Consumer has become a priority amid high inflation. For a week, Non-Cyclical Consumers strengthened by almost 5%, or led the sectoral strengthening, while also working as the JCI's driving force. A number of Non-Cyclical Consumer stocks with the largest Market Cap., three of them: UNVR, HMSF, and ICBP, managed to gain 10%; 4%, and 8% WoW, amid the 3Q22 Earning Results which projected to be having good performance. On the other hand, NHKSI Research anticipates the share price that Price In. Although relatively defensive, this sector faces several challenges, such as increasing Cigarette Excise and applying Plastic Excise to Sweetened Beverages Excise. Last week, investors also responded positively regarding the BI's Hawkish, which raised the BI 7DRR by +50 Bps to 4.75%. BI responded to the Overshooting inflation expectation with Core Inflation and Headline Inflation at 3.21% YoY and 5.95% YoY, respectively. Furthermore, the rupiah exchange rate again depreciated or broke through the psychological level of IDR 15,600/USD last weekend.

This week's outlook:

Big Cap. Earning Results, testing the JCI's psychological resilience level of 7,000. Investors look forward to the release of further 3Q22 Big Cap. Earning Results. This indicates how issuers deal with the Dual Combo, inflationary trends, and high-interest rates. NHKSI Research sees the performance of Big Cap. to remain solid, becoming a determinant of JCI's direction in the rest of 2022. On the other hand, investors' interest in Big Cap. Stocks are caused by their financial strength and competitive advantages, even amid uncertain economic conditions. Throughout the 9M22, BI has raised the 7DRR by +75 Bps, which occurred only in the 3Q22 period. Previously, BI 7DRR was held at its lowest level of 3.50% from February 2021 to July 2022.

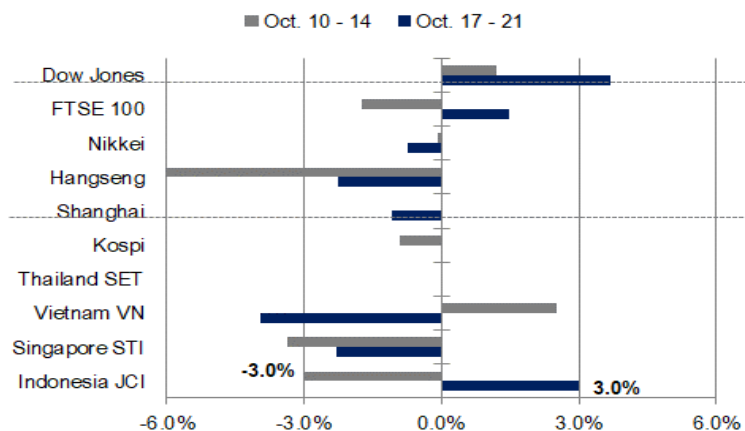
JCI Index : 7,017.77 (+3.0%)

Foreign Flow : Net buy of IDR 3.8 Trillion (Vs. last week's net sell of IDR 1.2 Trillion)

USD/IDR : 15,633 (+1.4%)

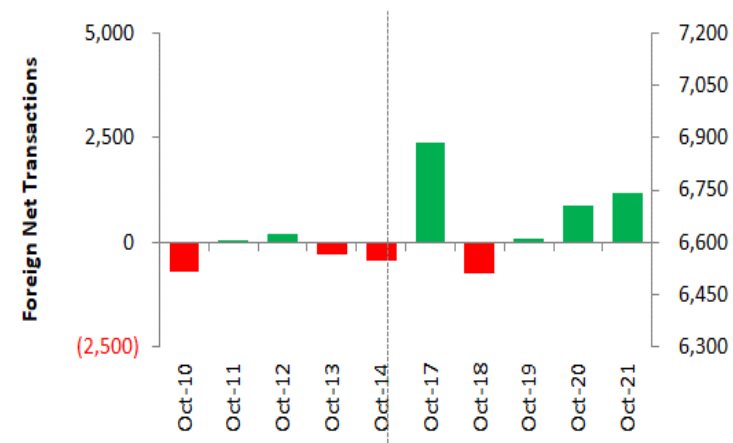
Last Week's JCI Movement

Global Market Movement



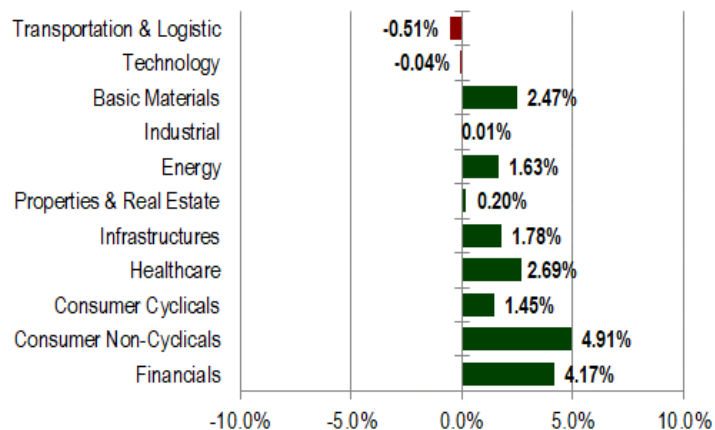
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



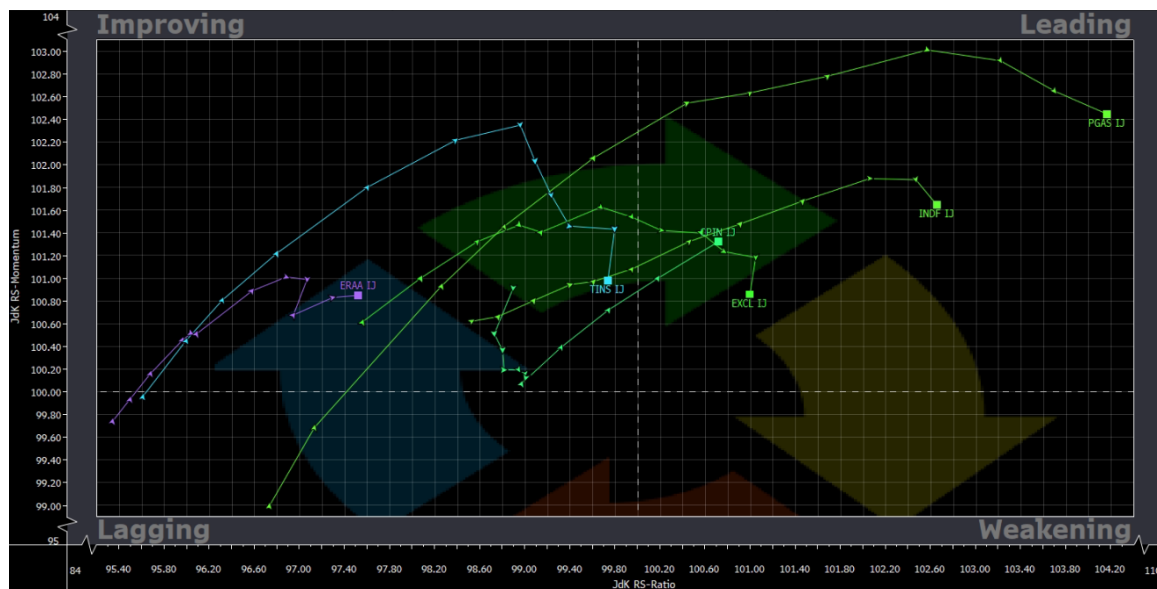
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

| Top Buy (RG) | NB Val. (IDR Mn) | Top Sell (RG) | NS Value (IDR Mn) |
|--------------|------------------|---------------|-------------------|
| BBCA | 615,907 | BBRI | 624,066 |
| BMRI | 511,786 | ASII | 319,469 |
| UNVR | 202,433 | KLBF | 166,372 |
| PGAS | 194,631 | AMRT | 97,639 |
| ITMG | 100,339 | TLKM | 92,221 |

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

| Stocks | TP | SL |
|--------|-----------------------------|-------|
| CPIN | 5,700 / 5,800 / 5,900 | 5,400 |
| ERAA | 442 / 458-464 | 420 |
| EXCL | 2,560-2,610 / 2,700 / 2,780 | 2,450 |
| INDF | 6,500 / 6,600 / 6,750 | 6,100 |
| PGAS | 1,980-2,000 / 2,100 | 1,820 |
| TINS | 1,480-1,500 | 1,340 |

Source: Bloomberg, NHKSI Research

JCI Index

| | | | |
|---------|-----------------------------------|------------|-----------------------|
| Support | 7,000-6,975 / 6,910-6,900 / 6,850 | Resistance | 7,060 / 7,100 / 7,150 |
|---------|-----------------------------------|------------|-----------------------|



Source: NHKSI Research, Bloomberg

Economic Calendar

| Date | Country | Hour JKT | Event | Period | Consensus | Previous |
|---------------------------|---------|----------|---------------------------------|---------|-----------|----------|
| Monday, 24-Oct. | EC | 15:00 | S&P Global Eurozone Mfg. PMI | Oct. P | 47.9 | 48.4 |
| | US | 20:45 | S&P Global US Manufacturing PMI | Oct. P | 51.0 | 52.0 |
| | US | 20:45 | S&P Global US Services PMI | Oct. P | 49.6 | 49.3 |
| | US | 20:45 | S&P Global US Composite PMI | Oct. P | 49.3 | 49.5 |
| Tuesday, 25-Oct. | US | 21:00 | Conf. Board Consumer Confidence | Oct. | 105.7 | 108.0 |
| Wednesday, 26-Oct. | US | 18:00 | MBA Mortgage Applications | Oct. 21 | -- | -4.5% |
| | US | 19:30 | Wholesale Inventories MoM | Sept. P | 1.0% | 1.3% |
| | US | 19:30 | Retail Inventories MoM | Sept. | 1.2% | 1.4% |
| | US | 21:00 | New Home Sales | Sept. | 581K | 685K |
| Thursday, 27-Oct. | 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, 28-Oct. | 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 Action Calendar

| Date | Event | Company |
|---------------------------|--------------|------------|
| Monday, 24-Oct. | RUPS | SAPX |
| | Cum Dividend | SOHO |
| Tuesday, 25-Oct. | RUPS | CMPP |
| | Cum Dividend | -- |
| Wednesday, 26-Oct. | RUPS | PTRO, KOPI |
| | Cum Dividend | AMOR |
| Thursday, 27-Oct. | RUPS | PKPK |
| | Cum Dividend | -- |
| Friday, 28-Oct. | RUPS | MRAT |
| | 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 |
|-------------------------------|------------|------------------------|---------------|-------------|----------------------|-------------------|---------------------|-------------------|--------------|----------------------|------------------------|----------------------|--------------------|-----------|
| Finance | | | | | | | 3,449.8 | | | | | | | |
| BBCA | 8,650 | 7,300 | 9,000 | Hold | 4.0 | 15.0 | 1,066.3 | 28.7x | 5.0x | 18.1 | 1.7 | 6.4 | 24.9 | 0.9 |
| BBRI | 4,430 | 4,110 | 5,500 | Buy | 24.2 | 0.7 | 671.4 | 14.3x | 2.4x | 18.1 | 3.9 | 8.4 | 46.2 | 1.2 |
| BBNI | 9,000 | 6,750 | 10,700 | Buy | 18.9 | 20.8 | 167.8 | 11.4x | 1.3x | 12.1 | 1.6 | 2.7 | 74.9 | 1.4 |
| BMRI | 10,350 | 7,025 | 10,000 | Hold | (3.4) | 43.8 | 483.0 | 13.5x | 2.4x | 18.2 | 3.5 | 7.0 | 61.6 | 1.1 |
| Consumer Non-Cyclicals | | | | | | | 1,189.3 | | | | | | | |
| ICBP | 9,425 | 8,700 | 9,800 | Hold | 4.0 | 3.6 | 109.9 | 21.6x | 3.1x | 14.8 | 2.3 | 15.6 | (39.9) | 0.5 |
| UNVR | 5,300 | 4,110 | 5,700 | Overweight | 7.5 | 9.3 | 202.2 | 32.9x | 44.3x | 143.2 | 2.8 | 6.4 | 12.5 | 0.5 |
| GGRM | 24,875 | 30,600 | 32,700 | Buy | 31.5 | (28.7) | 47.9 | 11.3x | 0.9x | 7.3 | 9.0 | 1.8 | (59.4) | 0.7 |
| HMSP | 980 | 965 | 950 | Hold | (3.1) | (12.1) | 114.0 | 19.0x | 4.6x | 23.9 | 6.5 | 12.3 | (27.8) | 0.8 |
| CPIN | 5,550 | 5,950 | 6,600 | Buy | 18.9 | (12.6) | 91.0 | 28.3x | 3.5x | 12.3 | 1.9 | 12.4 | (15.0) | 0.8 |
| AALI | 8,500 | 9,500 | 11,000 | Buy | 29.4 | (15.2) | 16.4 | 7.7x | 0.8x | 10.6 | 5.2 | 1.2 | 24.6 | 0.9 |
| Consumer Cyclicals | | | | | | | 359.2 | | | | | | | |
| ERAA | 430 | 600 | 620 | Buy | 44.2 | (32.3) | 6.9 | 7.1x | 1.1x | 16.1 | 5.3 | 9.6 | (8.6) | 0.7 |
| MAPI | 1,225 | 710 | 1,300 | Overweight | 6.1 | 40.8 | 20.3 | 16.9x | 2.9x | 19.1 | N/A | 34.1 | 287.5 | 0.9 |
| Healthcare | | | | | | | 259.8 | | | | | | | |
| KLBF | 1,975 | 1,615 | 1,850 | Underweight | (6.3) | 35.7 | 92.6 | 27.8x | 4.8x | 18.0 | 1.8 | 12.2 | 9.9 | 0.7 |
| SIDO | 675 | 865 | 900 | Buy | 33.3 | (18.7) | 20.3 | 16.8x | 6.2x | 37.6 | 3.4 | (2.6) | (11.2) | 0.5 |
| MIKA | 2,850 | 2,260 | 3,000 | Overweight | 5.3 | 27.2 | 40.6 | 35.0x | 8.0x | 21.8 | 1.3 | (13.3) | (11.4) | 0.1 |
| Infrastructure | | | | | | | 911.26 | | | | | | | |
| TLKM | 4,360 | 4,040 | 4,940 | Overweight | 13.3 | 12.7 | 431.9 | 16.9x | 3.6x | 23.4 | 3.4 | 3.6 | 6.9 | 1.0 |
| JSMR | 3,470 | 3,890 | 5,100 | Buy | 47.0 | (21.1) | 25.2 | 17.1x | 1.2x | 7.3 | N/A | 9.6 | (14.1) | 0.9 |
| EXCL | 2,470 | 3,170 | 3,800 | Buy | 53.8 | (20.6) | 26.5 | 22.2x | 1.3x | 6.0 | 2.1 | 8.5 | (13.4) | 0.9 |
| TOWR | 1,140 | 1,125 | 1,520 | Buy | 33.3 | (3.8) | 58.2 | 16.6x | 4.4x | 29.2 | 2.1 | 33.9 | 0.0 | 0.5 |
| TBIG | 2,580 | 2,950 | 3,240 | Buy | 25.6 | (12.2) | 58.5 | 33.0x | 4.6x | 16.0 | 1.4 | 11.2 | 22.4 | 0.4 |
| WIKA | 905 | 1,105 | 1,280 | Buy | 41.4 | (33.2) | 8.1 | 387.6x | 0.6x | 0.2 | N/A | 6.2 | N/A | 1.3 |
| PTPP | 865 | 990 | 1,700 | Buy | 96.5 | (32.7) | 5.4 | 19.8x | 0.5x | 2.5 | N/A | 39.7 | 0.0 | 1.4 |

Source : Bloomberg, NH KSI 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 |
|-----------------------------------|------------|------------------------|---------------|-------------|----------------------|-------------------|---------------------|-------------------|--------------|----------------------|------------------------|----------------------|--------------------|-----------|
| Property & Real Estate | | | | | | | 221.5 | | | | | | | |
| CTRA | 940 | 970 | 1,500 | Buy | 59.6 | (16.1) | 17.4 | 7.7x | 1.0x | 13.4 | 1.5 | 16.0 | 107.7 | 1.2 |
| PWON | 436 | 464 | 690 | Buy | 58.3 | (17.0) | 21.0 | 12.6x | 1.2x | 10.5 | 0.9 | 11.8 | 62.2 | 1.2 |
| Energy | | | | | | | 996.9 | | | | | | | |
| PGAS | 1,870 | 1,375 | 1,770 | Underweight | (5.3) | 22.6 | 45.3 | 8.3x | 1.1x | 13.9 | 6.7 | 18.8 | 25.0 | 1.2 |
| PTBA | 3,830 | 2,710 | 4,900 | Buy | 27.9 | 43.4 | 44.1 | 3.6x | 2.0x | 61.8 | 18.0 | 79.0 | 237.1 | 1.0 |
| ADRO | 3,960 | 2,250 | 3,900 | Hold | (1.5) | 128.2 | 126.7 | 4.0x | 1.5x | 44.5 | 7.6 | 126.6 | 634.5 | 1.1 |
| Industrial | | | | | | | 471.6 | | | | | | | |
| UNTR | 32,000 | 22,150 | 32,000 | Hold | - | 35.0 | 119.4 | 7.4x | 1.5x | 22.6 | 5.4 | 62.0 | 129.2 | 0.8 |
| ASII | 6,575 | 5,700 | 8,000 | Buy | 21.7 | 6.5 | 266.2 | 9.0x | 1.4x | 17.1 | 4.3 | 33.8 | 106.0 | 1.0 |
| Basic Ind. | | | | | | | 926.6 | | | | | | | |
| SMGR | 7,600 | 7,250 | 9,500 | Buy | 25.0 | (14.1) | 45.1 | 21.9x | 1.2x | 5.9 | 2.3 | (2.1) | 4.5 | 1.1 |
| INTP | 9,250 | 12,100 | 12,700 | Buy | 37.3 | (19.0) | 34.1 | 22.5x | 1.7x | 7.3 | 5.4 | 3.7 | (47.2) | 1.0 |
| INCO | 6,575 | 4,680 | 8,200 | Buy | 24.7 | 33.6 | 65.3 | 16.3x | 1.8x | 11.8 | N/A | #N/A | N/A | 1.4 |
| ANTM | 1,800 | 2,250 | 3,450 | Buy | 91.7 | (25.9) | 43.3 | 19.4x | 2.0x | 10.8 | 2.2 | 8.7 | 31.5 | 2.0 |

Source : Bloomberg, NH KSI Research

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