

Weekly Brief (Oct. 3 – 7, 2022)

Summary:

Last week review:

Bearish market closed Wall Street 3Q22, more than 20% decline started to occur on Nasdaq (April), then S&P500 (June) and DJIA (September) throughout 2022. Apart from US property market pressures, investors face continued Hawkish or November FFR hikes of +75Bps and December +50Bps, closing FFR FY22E to 4.25%-4.50% levels. Meanwhile, US FR30Y mortgage interest has reached 6.70% 3Q22 (Vs. 2.88% 3Q21); the highest level since the 2008 Subprime Mortgage crisis, as yield on UST10Y touched 4%. The Hawkish Fed was supported by a solid labor market, US Initial Jobless Claims fell 8% for the week. On the domestic side, the Government is targeting a 28% increase in tax revenue in 2023, in contrast to the potential normalization of prices for a number of commodities and the risk of an economic recession in some of Indonesia's main trading partners. One week, the JCI moved away from the 7,200 level and closed below the 7,100 level.

This week's outlook:

Inflation beats economic growth. Bloomberg survey, Headline Inflation per September is projected to reach 6% YoY, or exceed 3Q22 GDP which is projected to only grow 5.5% according to BI's version. High inflation, which has also exceeded the BI target of 4%, tends to make the Rupiah depreciate. Investors can again selectively observe a number of export-oriented issuers, as well as record USD-denominated income. On the other hand, high inflation has the opportunity to push BI 7DRRR to the level of 4.75%-5.00% FY22E, enabling investors to anticipate a number of issuers with high debt ratios. Apart from inflation, a number of other economic data will be released this week, such as: Indonesia's Manufacturing PMI, which is projected to continue to expand, and September's Cadev, as the depreciation of the Rupiah approached the level of IDR15,300/USD last week.

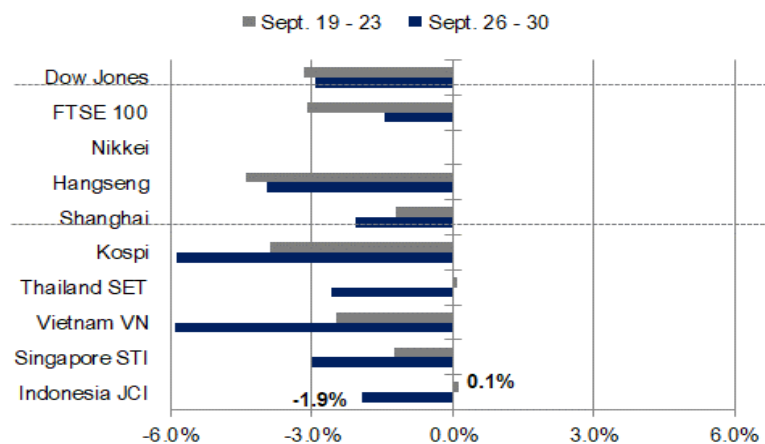
JCI Index : 7,040.79 (-1.9%)

Foreign Flow : Net sell of IDR 2.8 Trillion (Vs. last week's net sell of IDR 494 billion)

USD/IDR : 15,228 (+1.3%)

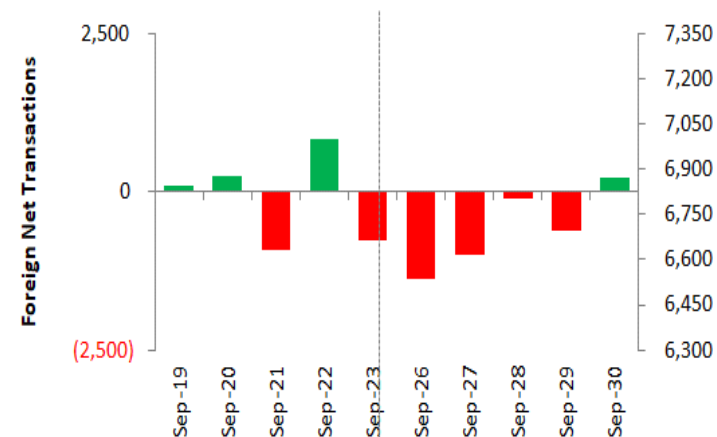
Last Week's JCI Movement

Global Market Movement



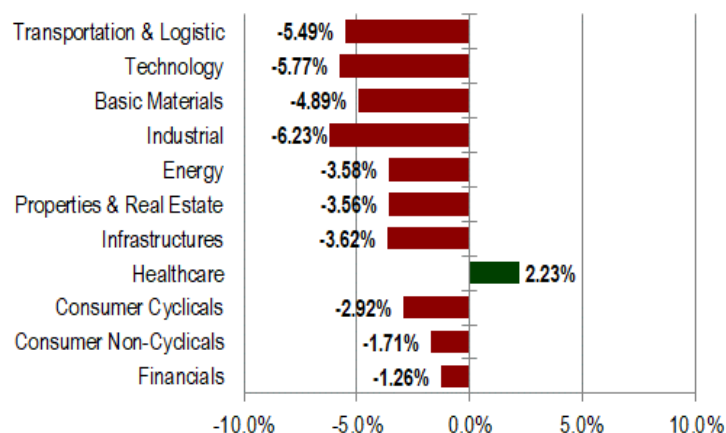
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



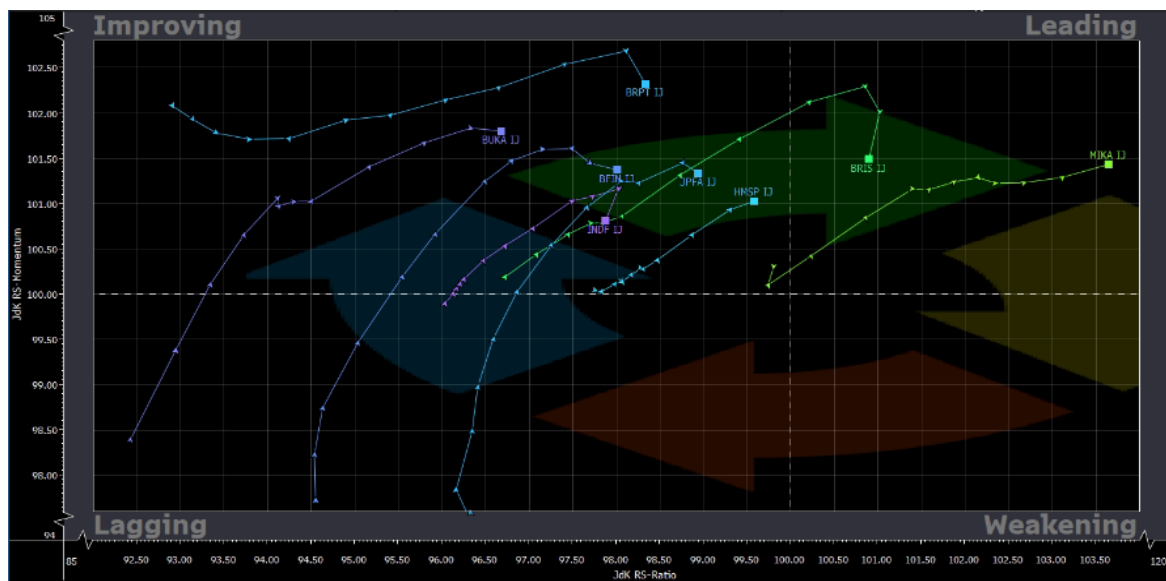
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
PGAS	163,001	BBRI	597,734
BUMI	50,263	ASII	408,090
UNVR	49,476	TLKM	304,709
BMRI	19,394	BBCA	233,720
ICBP	4,786	ITMG	140,476

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
BFIN	1,180-1,200 / 1,270	1,090
BRIS	1,515 / 1,545 / 1,590-1,600	1,450
BRPT	825-835 / 860-880	775
BUKA	280-282 / 292-294	265
HMSP	930 / 945 / 975	895
INDF	6,175-6,225 / 6,475-6,500 / 6,600-6,650	5,975
JPFA	1,525-1,530 / 1,545 / 1,565-1,570 / 1,585-1,590	1,470
MIKA	3,000 / 3,100-3,130 / 3,220	2,790

Source: Bloomberg, NHKSI Research

JCI Index

Support	7,000 / 6,930	Resistance	7,060 / 7,120-7,140 / 7,200-7,225
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Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 3-Oct.	ID	07:30	S&P Global Indonesia PMI Mfg	Sept.	--	51.7
	ID	11:00	CPI YoY	Sept.	5.96%	4.69%
	ID	11:00	CPI MoM	Sept.	1.17%	-0.21%
	ID	11:00	CPI Core YoY	Sept.	3.51%	3.04%
Tuesday, 4-Oct.	EC	16:00	PPI MoM	Aug.	--	4.0%
	EC	16:00	PPI YoY	Aug.	--	37.9%
	US	21:00	Factory Orders	Aug.	0.2%	-1.0%
	US	21:00	Durable Goods Orders	Aug. F	--	-0.2%
Wednesday, 5-Oct.	US	18:00	MBA Mortgage Applications	Sept. 30	--	-3.7%
	US	19:15	ADP Employment Change	Sept.	200K	132K
	US	19:30	Trade Balance	Aug.	-\$67.9Bn	-\$70.7Bn
	US	20:45	S&P Global US Composite PMI	Sept. F	--	49.3
Thursday, 6-Oct.	GE	13:00	Factory Orders MoM	Aug.	-0.5%	-1.1%
	EC	16:00	Retail Sales MoM	Aug.	-0.4%	0.3%
	US	19:30	Initial Jobless Claims	Oct. 1	--	193K
	US	19:30	Continuing Claims	Sept. 24	--	1,347K
Friday, 7-Oct.	US	19:30	Change in NonFarm Payrolls	Sept.	250K	315K
	US	19:30	Change in Manufact. Payrolls	Sept.	20K	22K
	US	19:30	Unemployment Rate	Sept.	3.7%	3.7%
	US	21:00	Wholesale Inventories MoM	Aug. F	--	1.3%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday, 3-Oct.	RUPS	HRUM, BEEF, ADMF
	Cum Dividend	--
Tuesday, 4-Oct.	RUPS	BABP
	Cum Dividend	UNTR
Wednesday, 5-Oct.	RUPS	WGSB, CENT, AKKU
	Cum Dividend	--
Thursday, 6-Oct.	RUPS	JARR, DSSA, CITA, BMAS, BESS
	Cum Dividend	--
Friday, 7-Oct.	RUPS	PKPK, META, HDIT, HATM
	Cum Dividend	TEBE, RELI

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							3,357.4							
BBCA	8,550	7,300	9,000	Overweight	5.3	26.5	1,054.0	30.1x	5.2x	17.9	1.7	3.6	24.6	0.9
BBRI	4,490	4,110	5,500	Buy	22.5	15.1	680.5	14.5x	2.4x	18.1	3.9	8.4	46.2	1.2
BBNI	8,975	6,750	10,700	Buy	19.2	67.8	167.4	11.4x	1.3x	12.1	1.6	2.7	74.9	1.4
BMRI	9,425	7,025	10,000	Overweight	6.1	54.5	439.8	12.3x	2.2x	18.2	3.8	7.0	61.6	1.1
Consumer Non-Cyclicals							1,124.0							
ICBP	8,650	8,700	9,800	Overweight	13.3	3.9	100.9	19.8x	2.8x	14.8	2.5	15.6	(39.9)	0.5
UNVR	4,830	4,110	5,700	Buy	18.0	25.1	184.3	30.0x	40.4x	143.2	3.1	6.4	12.5	0.5
GGRM	22,925	30,600	32,700	Buy	42.6	(28.5)	44.1	10.4x	0.8x	7.3	9.8	1.8	(59.4)	0.7
HMSP	910	965	950	Hold	4.4	(10.8)	105.8	17.6x	4.3x	23.9	7.0	12.3	(27.8)	0.8
CPIN	5,650	5,950	6,600	Buy	16.8	(9.6)	92.6	28.9x	3.6x	12.3	1.9	12.4	(15.0)	0.8
AALI	8,250	9,500	11,000	Buy	33.3	(17.5)	15.9	7.5x	0.8x	10.6	5.6	1.2	24.6	0.9
Consumer Cyclicals							367.6							
ERAA	414	600	640	Buy	54.6	(29.8)	6.6	6.8x	1.0x	16.1	5.5	9.6	(8.6)	0.6
MAPI	1,060	710	1,000	Underweight	(5.7)	40.4	17.6	14.6x	2.6x	19.1	N/A	34.1	287.5	1.0
Healthcare							257.6							
KLBF	1,830	1,615	1,850	Hold	1.1	30.7	85.8	25.7x	4.5x	18.0	1.9	12.2	9.9	0.6
SIDO	710	865	900	Buy	26.8	(7.8)	21.3	17.6x	6.6x	37.6	3.2	(2.6)	(11.2)	0.4
MIKA	2,900	2,260	3,000	Hold	3.4	27.8	41.3	35.7x	8.2x	21.8	1.2	(13.3)	(11.4)	0.1
Infrastructure							942.05							
TLKM	4,460	4,040	4,940	Overweight	10.8	21.9	441.8	17.2x	3.7x	23.4	3.4	3.6	6.9	1.0
JSMR	3,240	3,890	5,100	Buy	57.4	(17.6)	23.5	16.0x	1.1x	7.3	N/A	9.6	(14.1)	1.0
EXCL	2,460	3,170	3,800	Buy	54.5	(18.0)	26.4	22.1x	1.3x	6.0	2.1	8.5	(13.4)	0.9
TOWR	1,235	1,125	1,520	Buy	23.1	(5.4)	63.0	18.0x	4.8x	29.2	2.0	33.9	0.0	0.5
TBIG	2,830	2,950	3,240	Overweight	14.5	(5.4)	64.1	36.2x	5.1x	16.0	1.3	11.2	22.4	0.3
WIKA	925	1,105	1,280	Buy	38.4	(28.3)	8.3	396.2x	0.6x	0.2	N/A	6.2	N/A	1.4
PTPP	885	990	1,700	Buy	92.1	(23.0)	5.5	20.3x	0.5x	2.5	N/A	39.7	0.0	1.5

Source : Bloomberg, NHKS Research

NHKSI 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							224.8							
CTRA	950	970	1,500	Buy	57.9	-	17.6	7.8x	1.0x	13.4	1.5	16.0	107.7	1.2
PWON	452	464	690	Buy	52.7	(7.4)	21.8	13.0x	1.3x	10.5	0.9	11.8	62.2	1.2
Energy							931.8							
PGAS	1,755	1,375	1,770	Hold	0.9	37.1	42.5	8.0x	1.1x	13.9	7.1	18.8	25.0	1.3
PTBA	4,170	2,710	4,900	Buy	17.5	53.3	48.0	3.9x	2.1x	61.8	16.5	79.0	237.1	1.0
ADRO	3,960	2,250	3,900	Hold	(1.5)	122.5	126.7	4.1x	1.6x	44.5	7.6	126.6	634.5	1.1
Industrial							477.3							
UNTR	32,825	22,150	32,000	Hold	(2.5)	26.3	122.4	7.6x	1.6x	22.6	3.8	62.0	129.2	0.8
ASII	6,625	5,700	8,000	Buy	20.8	21.6	268.2	9.1x	1.5x	17.1	3.6	33.8	106.0	1.0
Basic Ind.							923.3							
SMGR	7,475	7,250	9,500	Buy	27.1	(7.7)	44.3	21.6x	1.2x	5.9	2.3	(2.1)	4.5	1.1
INTP	9,500	12,100	12,700	Buy	33.7	(4.5)	35.0	23.1x	1.8x	7.3	5.3	3.7	(47.2)	1.0
INCO	6,400	4,680	8,200	Buy	28.1	41.6	63.6	16.2x	1.8x	11.8	N/A	36.1	155.9	1.5
ANTM	1,940	2,250	3,450	Buy	77.8	(12.6)	46.6	20.9x	2.2x	10.8	2.0	8.7	31.5	2.0

Source : Bloomberg, NHKSI Research

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