

Weekly Brief (Dec. 12 – 16, 2022)

Summary:

Last week review:

The volatility of energy commodities amid the easing of China's Zero-Covid Policy. Oil prices are approaching its lowest level this year, as US fuel supplies are above forecast, causing Brent and WTI oil to come near to the Lowest Level of USD73.7/Barrel and USD70.6/Barrel of YtD, respectively. Continued pressure on oil prices is also in line with the global economic growth projected to weaken. In contrast to Newcastle's ICE price, which rose again to break the psychological level of USD400/Ton, influenced by rising European gas prices. On the other hand, besides the increase in Indonesia's Foreign Exchange Reserves (Cadev), the positive catalyst for consumer optimism is relatively holding JCI to go down further. Consumer Confidence Index Indonesia in Nov. was at the level of 119.1 (vs. Oct. 120.3), or still stayed in the optimistic area (>100). Additionally, Indonesia's Cadev in Nov. is worth USD134 billion (vs. Oct. USD130.2 billion). The Cadev gain is supported by Foreign Inflow within the Government Securities (SBN) market, attractive yields of Government Bonds (SUN) for FR91 and FR87, as well as low supply along with the SBN Auction 2022 that ended on 6 December.

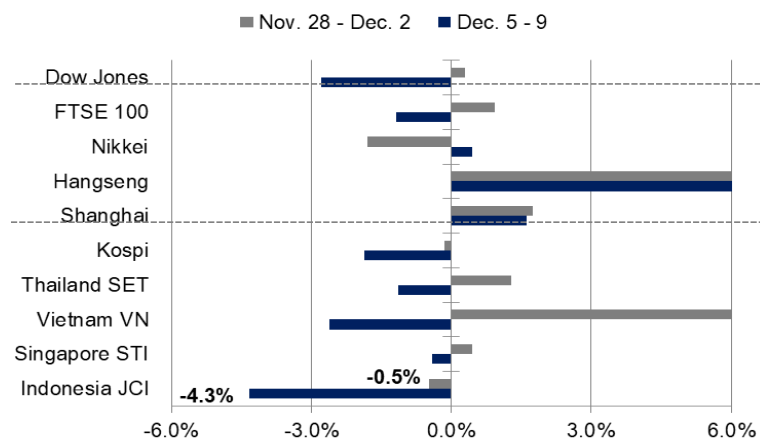
This week's outlook:

Investors are balancing the Headwinds and Tailwinds ahead of some economic data release in the remainder of 2022 trading or the end of 4Q22. This week, from the external side, investors are looking forward to the US Headline CPI data in Nov., which is projected to decline again, or to 0.3% MoM and 7.3% YoY and also, the FOMC Rate Decision, which is projected to raise the Dec. FFR only +50 Bps creating a Lower Bound of 4.25%. As for the domestic side, investors are looking forward to the Nov. Trade Balance data, which is projected to experience a surplus of +USD4.05 billion (vs. Oct. +USD5.67 billion) or shrink on a monthly basis. This shrink is in line with the normalization of a number of major commodities prices and export pressures due to the declining demand in Indonesia's several main trading partners. Additionally, Rupiah depreciation is suppressing Indonesia's bargaining power; imports in Nov. are projected to grow only 10.1% YoY (vs. Oct. 17.4% YoY).

| | |
|--------------|--|
| JCI Index | : 6,715.12 (-4.3%) |
| Foreign Flow | : Net sell of IDR 8.6 Trillion (Vs. last week's net sell of IDR 743 Billion) |
| USD/IDR | : 15,583 (+1.0%) |

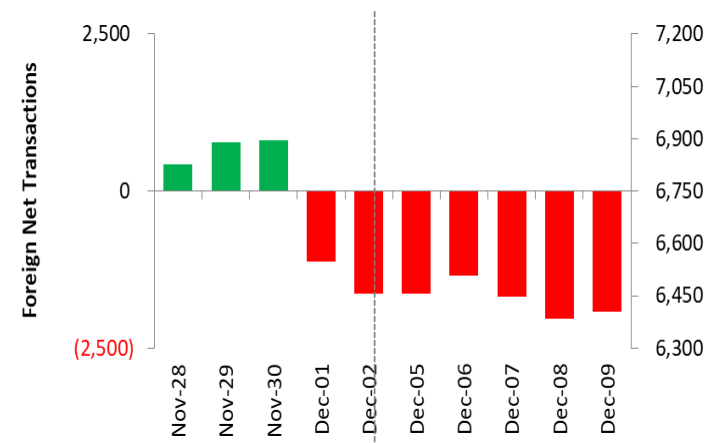
Last Week's JCI Movement

Global Market Movement



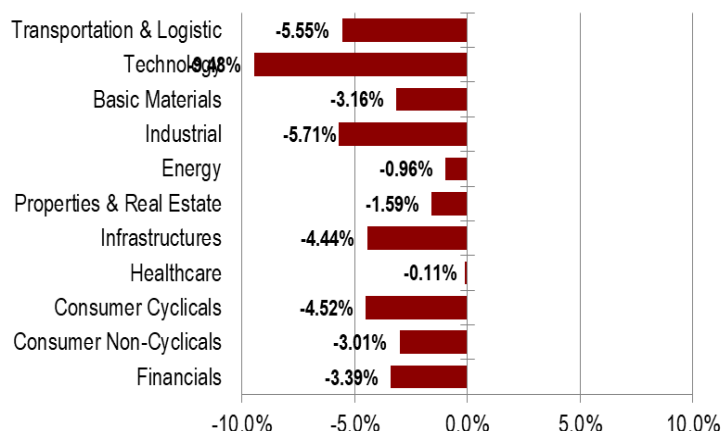
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



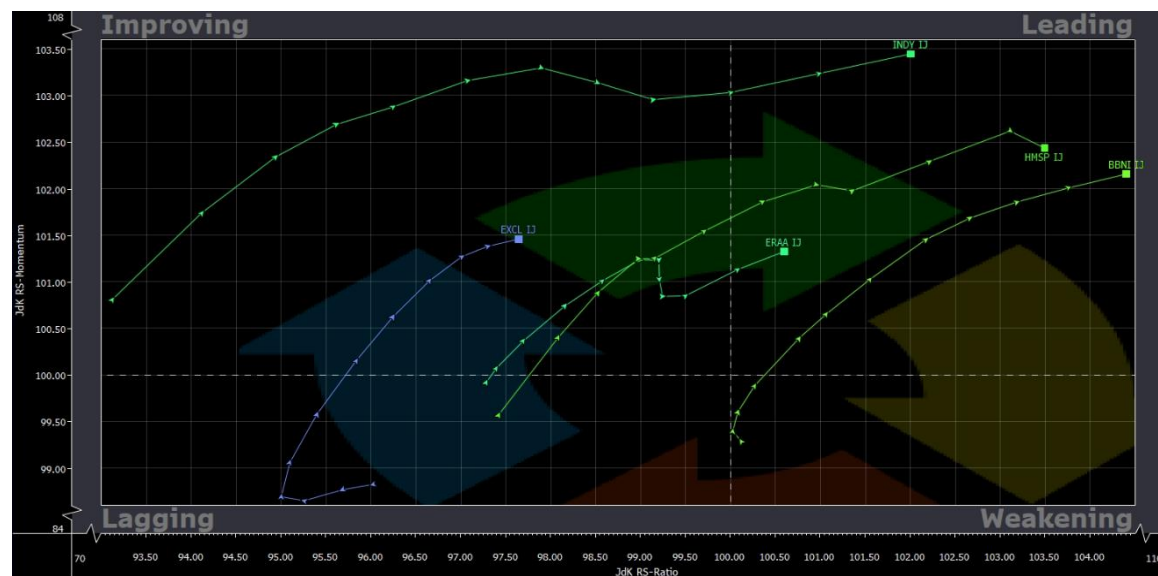
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

| Top Buy (RG) | NB Val. (IDR Mn) | Top Sell (RG) | NS Value (IDR Mn) |
|--------------|------------------|---------------|-------------------|
| ULTJ | 453,548 | BBCA | 2,772,113 |
| CASA | 262,151 | TLKM | 1,395,859 |
| BRMS | 227,040 | BMRI | 1,056,262 |
| MDKA | 223,863 | SMMA | 867,826 |
| SSMS | 193,231 | ASII | 764,670 |

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

| Stocks | TP | SL |
|--------|---------------------------------------|-------|
| BBNI | 9,950-10,000 / 10,275 / 10,375 | 9,375 |
| ERAA | 410 / 416 / 426-430 / 434 / 442 | 390 |
| EXCL | 2,200 / 2,250 | 1,990 |
| HMSP | 950 / 965-970 / 990-1,000 / 1,020 | 915 |
| INDY | 3,000-3,010 / 3,070-3,080 | 2,840 |

Source: Bloomberg, NHKSI Research

JCI Index

Support

6,700-6,683 / 6,650

Resistance

6,800 / 6,930 / 6,960-7,000 / 7,105



Source: NHKSI Research, Bloomberg

Economic Calendar

| Date | Country | Hour JKT | Event | Period | Consensus | Previous |
|---------------------------|---------|----------|----------------------------------|--------|---------------|---------------|
| Monday, 12-Dec. | -- | -- | -- | -- | -- | -- |
| Tuesday, 13-Dec. | GE | 14:00 | CPI MoM | Nov. | -0.5% | -0.5% |
| | GE | 14:00 | CPI YoY | Nov. | 10.0% | 10.0% |
| | US | 20:30 | CPI MoM | Nov. | 0.3% | 0.4% |
| | US | 20:30 | CPI YoY | Nov. | 7.3% | 7.7% |
| Wednesday, 14-Dec. | EC | 17:00 | Industrial Production MoM | Oct. | -1.2% | 0.9% |
| | EC | 17:00 | Industrial Production YoY | Oct. | -- | 4.9% |
| | US | 19:00 | MBA Mortgage Applications | Dec. 9 | -- | -- |
| Thursday, 15-Dec. | US | 02:00 | FOMC Rate Decision (Lower/Upper) | Dec. | 4.25% / 4.50% | 3.75% / 4.00% |
| | ID | 11:00 | Trade Balance | Nov. | \$4.05Bn | \$5.67Bn |
| | ID | 11:00 | Exports YoY | Nov. | 10.05% | 12.30% |
| | ID | 11:00 | Imports YoY | Nov. | 10.10% | 17.44% |
| Friday, 16-Dec. | -- | -- | -- | -- | -- | -- |

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

| Date | Event | Company |
|---------------------------|--------------|------------------------------------|
| Monday, 12-Dec. | RUPS | WIIM, AGII |
| | Cum Dividend | -- |
| Tuesday, 13-Dec. | RUPS | UVCR |
| | Cum Dividend | HRUM |
| Wednesday, 14-Dec. | RUPS | WSBP, VIVA, SRAJ, SAME, MDIA, FISH |
| | Cum Dividend | TOWR, BFIN |
| Thursday, 15-Dec. | RUPS | UNVR, TRUK, SCPI, NPGF, MMLP, BIPI |
| | Cum Dividend | DOID |
| Friday, 16-Dec. | RUPS | VINS, SKRN, ABBA |
| | Cum Dividend | TSPC |

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 | | | | | | | 3,404.1 | | | | | | | |
| BBCA | 8,575 | 7,300 | 9,000 | Hold | 5.0 | 16.3 | 1,057.1 | 28.5x | 5.0x | 18.1 | 1.8 | 6.4 | 24.9 | 0.9 |
| BBRI | 4,800 | 4,110 | 5,500 | Overweight | 14.6 | 16.2 | 727.5 | 13.6x | 2.4x | 17.8 | 3.6 | 7.6 | 80.4 | 1.2 |
| BBNI | 9,550 | 6,750 | 10,700 | Overweight | 12.0 | 41.0 | 178.1 | 10.6x | 1.4x | 13.5 | 1.5 | 5.0 | 76.3 | 1.4 |
| BMRI | 9,925 | 7,025 | 10,000 | Hold | 0.8 | 37.8 | 463.2 | 11.7x | 2.2x | 19.3 | 3.6 | 9.0 | 59.3 | 1.2 |
| Consumer Non-Cyclicals | | | | | | | 1,157.6 | | | | | | | |
| ICBP | 10,150 | 8,700 | 11,400 | Overweight | 12.3 | 14.7 | 118.4 | 25.1x | 3.4x | 14.1 | 2.1 | 14.8 | (33.3) | 0.5 |
| UNVR | 4,620 | 4,110 | 4,850 | Hold | 5.0 | 4.3 | 176.3 | 29.4x | 30.8x | 108.4 | 3.3 | 5.0 | 5.2 | 0.5 |
| MYOR | 2,500 | 2,040 | 2,900 | Buy | 16.0 | 16.8 | 55.9 | 43.0x | 4.8x | 11.5 | 0.8 | 11.8 | 11.4 | 0.6 |
| HMSP | 940 | 965 | 950 | Hold | 1.1 | (6.5) | 109.3 | 17.0x | 4.1x | 24.0 | 6.7 | 15.0 | (12.5) | 0.8 |
| CPIN | 5,725 | 5,950 | 6,600 | Buy | 15.3 | (5.4) | 93.9 | 22.7x | 3.5x | 16.3 | 1.9 | 15.5 | 19.0 | 0.8 |
| AALI | 8,050 | 9,500 | 11,000 | Buy | 36.6 | (18.7) | 15.5 | 9.0x | 0.7x | 8.3 | 5.5 | (8.3) | (17.2) | 0.9 |
| Consumer Cyclicals | | | | | | | 358.2 | | | | | | | |
| ERAA | 398 | 600 | 620 | Buy | 55.8 | (34.8) | 6.3 | 6.4x | 1.0x | 15.9 | 5.7 | 12.1 | (4.4) | 0.6 |
| MAPI | 1,425 | 710 | 1,300 | Underweight | (8.8) | 83.9 | 23.7 | 11.7x | 3.2x | 31.9 | N/A | 55.8 | N/A | 0.8 |
| Healthcare | | | | | | | 294.0 | | | | | | | |
| KLBF | 2,130 | 1,615 | 2,300 | Overweight | 8.0 | 32.3 | 99.8 | 29.4x | 5.1x | 17.8 | 1.6 | 10.9 | 9.5 | 0.7 |
| SIDO | 765 | 865 | 800 | Hold | 4.6 | (15.0) | 23.0 | 20.6x | 6.5x | 33.9 | 4.7 | (5.9) | (17.4) | 0.5 |
| MIKA | 2,950 | 2,260 | 3,000 | Hold | 1.7 | 21.9 | 42.0 | 37.8x | 8.0x | 21.2 | 1.2 | (9.8) | (16.1) | 0.1 |
| Infrastructure | | | | | | | 812.59 | | | | | | | |
| TLKM | 3,650 | 4,040 | 4,940 | Buy | 35.3 | (12.0) | 361.6 | 16.1x | 2.9x | 19.7 | 4.1 | 2.7 | (12.1) | 0.9 |
| JSMR | 2,900 | 3,890 | 5,100 | Buy | 75.9 | (27.1) | 21.0 | 11.4x | 1.0x | 9.1 | N/A | 10.2 | 34.4 | 0.9 |
| EXCL | 2,070 | 3,170 | 3,800 | Buy | 83.6 | (33.7) | 22.2 | 17.6x | 1.1x | 6.2 | 2.5 | 9.1 | (2.1) | 0.9 |
| TOWR | 1,110 | 1,125 | 1,520 | Buy | 36.9 | (3.1) | 56.6 | 16.3x | 4.0x | 26.9 | 2.2 | 33.6 | (1.9) | 0.5 |
| TBIG | 2,410 | 2,950 | 3,240 | Buy | 34.4 | (24.7) | 54.6 | 31.2x | 4.3x | 15.6 | 1.5 | 7.9 | 8.1 | 0.4 |
| WIKA | 820 | 1,105 | 1,280 | Buy | 56.1 | (31.4) | 7.4 | N/A | 0.6x | (0.1) | N/A | 9.8 | N/A | 1.2 |
| PTPP | 820 | 990 | 1,700 | Buy | 107.3 | (25.5) | 5.1 | 18.1x | 0.5x | 2.5 | N/A | 20.1 | 9.5 | 1.3 |

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 | | | | | | | 239.6 | | | | | | | |
| CTRA | 1,000 | 970 | 1,500 | Buy | 50.0 | (5.2) | 18.6 | 8.2x | 1.0x | 13.0 | 1.4 | 8.7 | 49.1 | 1.1 |
| PWON | 472 | 464 | 690 | Buy | 46.2 | (2.1) | 22.7 | 12.3x | 1.3x | 11.4 | 0.8 | 18.7 | 65.0 | 1.1 |
| Energy | | | | | | | 1,182.8 | | | | | | | |
| PGAS | 1,800 | 1,375 | 1,770 | Hold | (1.7) | 20.4 | 43.6 | 8.5x | 1.1x | 12.7 | 6.9 | 17.2 | 8.5 | 1.1 |
| PTBA | 3,620 | 2,710 | 4,900 | Buy | 35.4 | 32.1 | 41.7 | 3.2x | 1.6x | 56.0 | 19.0 | 60.3 | 104.5 | 0.9 |
| ADRO | 3,680 | 2,250 | 3,900 | Overweight | 6.0 | 91.7 | 117.7 | 3.0x | 1.3x | 49.1 | 8.2 | 130.2 | 366.8 | 1.1 |
| Industrial | | | | | | | 411.9 | | | | | | | |
| UNTR | 26,125 | 22,150 | 32,000 | Buy | 22.5 | 13.6 | 97.4 | 5.3x | 1.2x | 25.2 | 6.6 | 58.3 | 102.9 | 0.8 |
| ASII | 5,675 | 5,700 | 8,000 | Buy | 41.0 | (4.2) | 229.7 | 8.1x | 1.2x | 16.0 | 5.0 | 32.2 | 55.7 | 1.0 |
| Basic Ind. | | | | | | | 928.3 | | | | | | | |
| SMGR | 6,950 | 7,250 | 9,500 | Buy | 36.7 | (11.7) | 41.2 | 18.1x | 1.1x | 6.4 | 2.5 | (0.2) | 18.8 | 1.0 |
| INTP | 9,925 | 12,100 | 12,700 | Buy | 28.0 | (17.3) | 36.5 | 23.0x | 1.8x | 7.6 | 5.0 | 9.9 | (17.5) | 1.0 |
| INCO | 7,250 | 4,680 | 8,200 | Overweight | 13.1 | 52.0 | 72.0 | 21.9x | 2.0x | 9.5 | N/A | 27.3 | 36.3 | 1.4 |
| ANTM | 1,935 | 2,250 | 3,450 | Buy | 78.3 | (16.6) | 46.5 | 27.7x | 2.2x | 10.8 | 2.0 | #N/A | N/A | 1.9 |

Source : Bloomberg, NHKSI Research

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