

Weekly Brief (Jan. 24 – 27, 2023)

Summary:

Last week review:

Signs of recession in the Western countries have been mounting as economic data for the US, UK, and Eurozone has come in below expectations, suggesting that the economy is starting to contract; while inflation rates have remained high. Asian countries also contributed to the gloomy sentiment, with China's 4Q 2022 GDP at the level of 2.9%, failing to reach the 5% target. The BOJ had faced the challenge of tightening its monetary policy, in the same voice as US & European central bank officials who are convinced that a high-interest rate policy is still needed in 2023 (as stated at the World Economic Forum in Davos-Switzerland). US 2022 earnings are released, providing insight into the survey that S&P corporate earnings will fall 2.4% in 1Q23. On the other hand, there is still good news from the domestic side; Trade Balance has recorded a surplus at USD3.89 billion (32nd consecutive month of surplus), lower than both consensus & previous period, USD5.16 billion. BI Governors Meeting (RDG) decided to raise the BI7DRR benchmark rate by 25bps to 5.75%, in line with the market expectation. BI also cut the global economic growth in 2023 to 2.3% from 2.6%; even so, it remains optimistic that the Indonesian economy will grow at the level of 4.5%-5.3%.

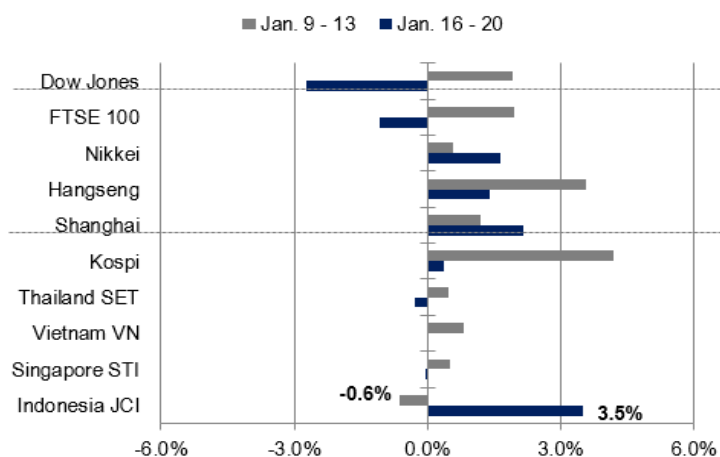
This week's outlook:

The battle over the US government's borrowing limit is likely to come to the fore as it reaches its USD 31.4 trillion limit, as emergency fund that has been used will only be sufficient until the end of June. Markets will get an update on US 4Q22 earnings report, which is expected to remain solid despite more recent signs of a slowdown. Indonesian earnings are scheduled to be published this week. The US is to publish a series of economic data, with importantly, a first estimate of 4Q22 GDP on Thursday with consensus 2.6% (vs. previous quarter 3.2%). Eurozone PMI data will also take the attention this week, accompanying the inflation data release of Japanese, Australian, and New Zealand.

JCI Index	: 6,874.93 (+3.5%)
Foreign Flow	: Net sell of IDR 2.1 Trillion (Vs. last week's net sell of IDR 3.0 Trillion)
USD/IDR	: 15,075 (-0.50%)

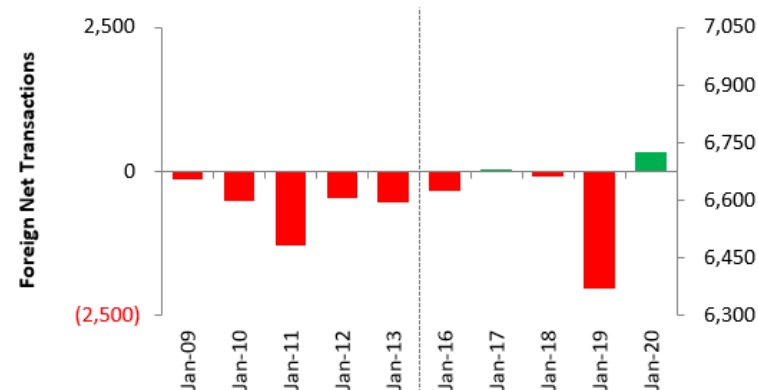
Last Week's JCI Movement

Global Market Movement



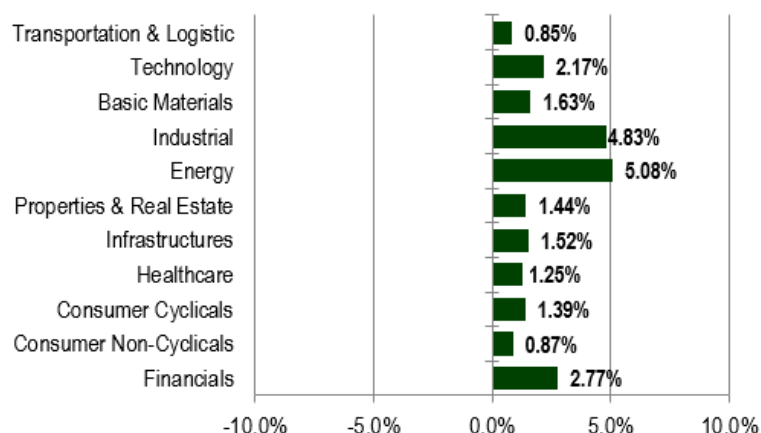
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



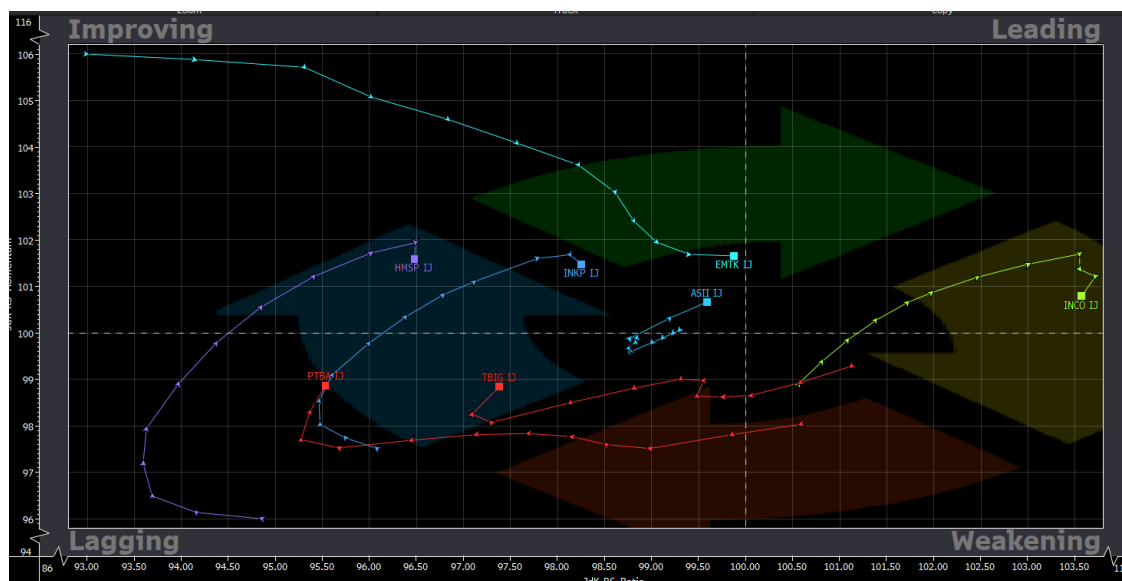
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
MDKA	331,373	BBCA	564,304
BBRI	178,856	BMRI	214,061
ANTM	176,489	GOTO	47,545
BBNI	131,638	SMGR	23,169
TLKM	88,119	ITMG	8,656

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
ASII	6000 / 6600	5750
EMTK	1150 / 1160	995
HMSP	875 / 900	810
INCO	8200 / 8400	7425
INKP	9300-9400	8650
PTBA	3590-3610 / 3730	3490
TBIG	2230 / 2290 / 2430-2470	2150

Source: Bloomberg, NHKSI Research

JCI Index

Support	6860 / 6815 / 6765 / 6710-6700	Resistance	6900 / 6920-6960 / 7000
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Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
Monday	US	22:00	Leading Index	Dec	-0.7%	-1.0%
23 - Jan.	PD	16:00	Retail Sales YoY	Dec	17.8%	18.4%
Tuesday	US	21:45	S&P Global US Manufacturing PMI	Jan P	46.5	46.2
24 - Jan.	FR	15:15	S&P Global France Manufacturing PMI	Jan P	49.5	49.2
	GE	15:30	S&P Global Germany Manufact. PMI	Jan P	48.0	47.1
	JP	07:30	Jibun Bank Japan PMI Mfg	Jan P	—	48.9
Wednesday	US	19:00	MBA Mortgage Applications	Jan 20	—	27.9%
25 - Jan.	KR	—	Retail Sales YoY	Dec	—	8.4%
Thursday	US	20:30	GDP Annualized QoQ	4Q A	2.6%	3.2%
26 - Jan.	US	20:30	Initial Jobless Claims	Jan 21	—	190 K
	US	20:30	Durable Goods Orders	Dec P	2.8%	-2.1%
Friday	US	20:30	Personal Income	Dec	0.2%	0.4%
27 - Jan.	US	20:30	Personal Spending	Dec	-0.1%	0.1%
	JP	06:30	Tokyo CPI YoY	Jan	4.0%	4.0%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	—
23 - Jan.	Cum Dividend	—
Tuesday	RUPS	SMBR
24- Jan.	Cum Dividend	—
Wednesday	RUPS	BEKS, CLAY, CLEO, KIAS, KOIN
25 - Jan.	Cum Dividend	—
Thursday	RUPS	—
26 - Jan.	Cum Dividend	—
Friday	RUPS	GOLL
27 - Jan.	Cum Dividend	—

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							3,335.6							
BBCA	8,300	8,550	9,000	Overweight	8.4	6.4	1,023.2	27.6x	4.8x	18.1	1.9	6.4	24.9	0.9
BBRI	4,650	4,940	5,500	Buy	18.3	12.9	704.7	13.1x	2.4x	17.8	1.2	7.6	80.4	1.2
BBNI	9,025	9,225	10,700	Buy	18.6	27.1	168.3	10.0x	1.3x	13.5	1.6	5.0	76.3	1.4
BMRI	9,975	9,925	10,000	Hold	0.3	37.1	465.5	11.8x	2.2x	19.3	3.6	9.0	59.3	1.2
Consumer Non-Cyclicals							1,171.3							
ICBP	10,500	10,000	11,400	Overweight	8.6	22.1	122.5	25.9x	3.5x	14.1	2.0	14.8	(33.3)	0.5
UNVR	4,810	4,700	4,850	Hold	0.8	17.9	183.5	30.6x	32.0x	108.4	3.2	5.0	5.2	0.5
MYOR	2,370	2,500	2,900	Buy	22.4	17.3	53.0	40.7x	4.5x	11.5	0.9	11.8	11.4	0.6
HMSP	825	840	950	Buy	15.2	(13.6)	96.0	14.9x	3.6x	24.0	7.7	15.0	(12.5)	0.7
CPIN	5,950	5,650	6,600	Overweight	10.9	(8.8)	97.6	23.6x	3.7x	16.3	1.8	15.5	19.0	0.6
AALI	8,075	8,025	11,000	Buy	36.2	(18.2)	15.5	9.0x	0.7x	8.3	5.5	(8.3)	(17.2)	1.0
Consumer Cyclicals							343.2							
ERAA	420	392	500	Buy	19.0	(22.9)	6.7	6.8x	1.0x	15.9	5.4	12.1	(4.4)	0.8
MAPI	1,415	1,445	1,700	Buy	20.1	88.7	23.5	11.6x	3.2x	31.9	N/A	55.8	N/A	0.9
Healthcare							292.6							
KLBF	2,060	2,090	2,300	Overweight	11.7	21.2	96.6	28.4x	4.9x	17.8	1.7	10.9	9.5	0.5
SIDO	725	755	800	Overweight	10.3	(22.5)	21.8	19.5x	6.2x	33.9	5.0	(5.9)	(17.4)	0.6
MIKA	3,130	3,190	3,000	Hold	(4.2)	44.9	44.6	40.1x	8.4x	21.2	1.2	(9.8)	(16.1)	0.4
Infrastructure							826.25							
TLKM	3,870	3,750	4,940	Buy	27.6	(10.0)	383.4	17.1x	3.1x	19.7	3.9	2.7	(12.1)	0.8
JSMR	3,170	2,980	5,100	Buy	60.9	(10.7)	23.0	12.4x	1.1x	9.1	N/A	10.2	34.4	0.8
EXCL	2,360	2,140	3,800	Buy	61.0	(21.1)	31.0	20.1x	1.2x	6.2	2.2	9.1	(2.1)	0.8
TOWR	1,135	1,100	1,520	Buy	33.9	6.1	57.9	16.6x	4.1x	26.9	2.1	33.6	(1.9)	0.4
TBIG	2,180	2,300	3,240	Buy	48.6	(26.8)	49.4	28.2x	3.9x	15.6	1.7	7.9	8.1	0.6
WIKA	675	800	1,280	Buy	89.6	(35.4)	6.1	N/A	0.5x	(0.1)	N/A	9.8	N/A	1.1
PTPP	640	715	1,700	Buy	165.6	(31.6)	4.0	14.1x	0.4x	2.5	N/A	20.1	9.5	1.1

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							249.3							
CTRA	965	940	1,500	Buy	55.4	3.2	17.9	7.9x	1.0x	13.0	1.5	8.7	49.1	1.1
PWON	452	456	690	Buy	52.7	0.4	21.8	11.8x	1.3x	11.4	0.9	18.7	65.0	1.1
Energy							1,425.1							
PGAS	1,620	1,760	1,770	Overweight	9.3	24.1	39.3	7.9x	1.0x	12.7	7.7	17.2	8.5	1.0
PTBA	3,570	3,690	4,900	Buy	37.3	24.4	41.1	3.1x	1.6x	56.0	19.3	60.3	104.5	0.9
ADRO	3,240	3,850	3,900	Buy	20.4	42.7	103.6	2.8x	1.2x	49.1	12.1	130.2	366.8	1.1
Industrial							425.2							
UNTR	26,775	26,075	32,000	Buy	19.5	14.4	99.9	5.4x	1.3x	25.2	6.4	58.3	102.9	0.8
ASII	5,900	5,700	8,000	Buy	35.6	6.8	238.9	8.4x	1.3x	16.0	4.8	32.2	55.7	1.0
Basic Ind.							952.8							
SMGR	7,050	6,575	9,500	Buy	34.8	1.4	47.6	18.4x	1.1x	6.4	2.4	(0.2)	18.8	0.9
INTP	9,800	9,900	12,700	Buy	29.6	(11.9)	36.1	22.7x	1.8x	7.6	5.1	9.9	(17.5)	0.8
INCO	7,550	7,100	8,200	Overweight	8.6	51.3	75.0	23.6x	2.1x	9.5	N/A	27.3	36.3	1.2
ANTM	2,320	1,985	3,450	Buy	48.7	23.1	55.8	20.1x	2.5x	12.9	1.7	27.2	53.6	1.5

Source : Bloomberg, NHKSI Research

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