

Weekly Brief (Feb. 13 – 17, 2023)

Summary:

Last week review:

The Nasdaq posted its first weekly fall for this year last week, down 2.41%; while the S&P 500 ended the week lower 1.11% and the Dow Jones slightly fell by 0.17%, in a week dominated by hawkish commentary from US Central Bank and earnings reports. Inflation rates on the producer level in Europe continue to heat up, German inflation grew on an annual and monthly basis at 8.7% YoY and 1% MoM. The market now again expects the FFR to peak at 5.1% in July (as per the Fed's previous prediction), and drop to around 4.83% in December. Powell reiterated significant declines in inflation should be seen by 2023. However, cutting rates will not happen anytime soon, given the Fed's 2% inflation target. The market expects two more 25 bps rate hikes by the middle of this year. The 2-year and 10-year bonds yields curve widened further at 85 points, the deepest inversion since the early 1980s. Thus, reigniting economic concerns even though market participants began to accept that the Federal Reserve must be hawkish again. JCI failed to maintain its position at 6900, even though Foreign Net Buy was accumulated at IDR2.52 trillion in the past week. As a result, the total foreign net buy over the past month increased to IDR 5.11 trillion. This buying interest began to re-emerge after Indonesia's relatively outstanding macroeconomic data: 4Q22 GDP at 5.01% (Cumulative GDP in 2022: 5.31%), Foreign Exchange Reserves rose to USD 139.4 billion; while Consumer Confidence Index (Jan.) grew to 123.

This week's outlook:

Investors eagerly await Tuesday's US Inflation (Jan.) announcement, which is projected to come in at 6.2% YoY (versus Dec. 6.5%). A series of important US economic data will follow this week's releases, such as: Core Inflation (Jan.) at 5.5% (vs. previous 5.7%), Retail Sales (Jan.), Industrial Production (Jan.), Crude Oil Inventories, Building Permits (Jan.), PPI (Jan.), Housing Starts (Jan.), weekly Initial Jobless Claims report. Several Fed officials are also scheduled to make commentary appearances this week, which should provide a peek into where the Federal Reserve's monetary policy is headed. UK Inflation data (Jan.) released this week is expected to remain in double digits, allowing the Bank of England to decide whether to raise interest rates again in March by 50 bps; which hopefully will be the last hike of this tight monetary policy cycle. The European Commission is scheduled to announce 4Q22 GDP data (forecast: 1.9%) and the quarterly economic forecasts later this week; ECB President Christine Lagarde's comments before the European Parliament in Strasbourg on the central bank's annual report will also be monitored later on Wednesday. Japan's 4Q22 GDP is expected to come at 2%, up from the previous quarter's minus of 0.8%. Indonesia will announce its Trade Balance (Jan.) on Wednesday, which is expected to grow to USD 4.01 billion (vs. previous USD 3.89 billion), followed by the interest rate decision by Bank Indonesia on Thursday.

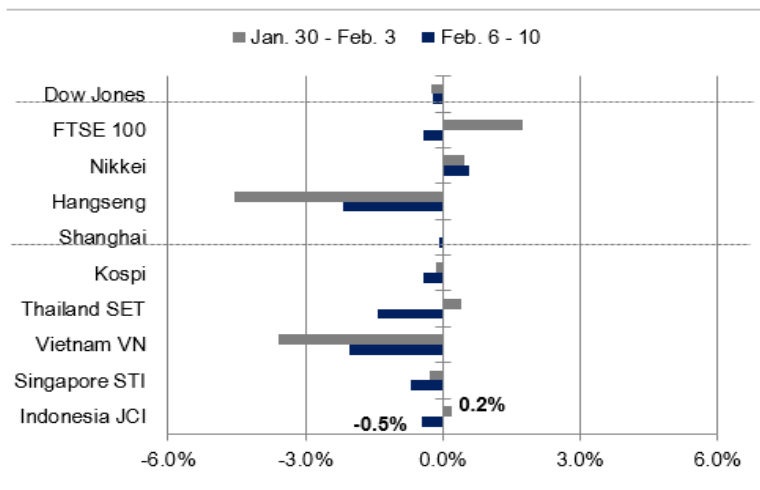
JCI Index : 6,880.33 (+0.1%)

Foreign Flow : Net Buy of IDR 0.1 Trillion (Vs. last week's net sell of IDR 2.1 Trillion)

USD/IDR : 15.134 (-0.5%)

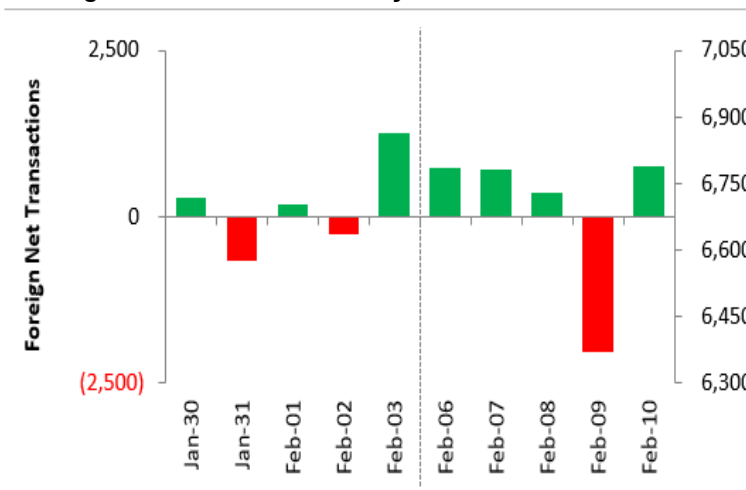
Last Week's JCI Movement

Global Market Movement



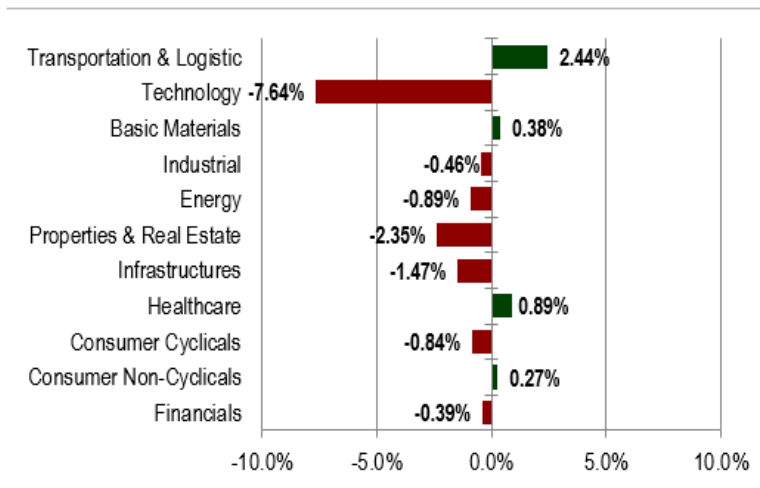
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



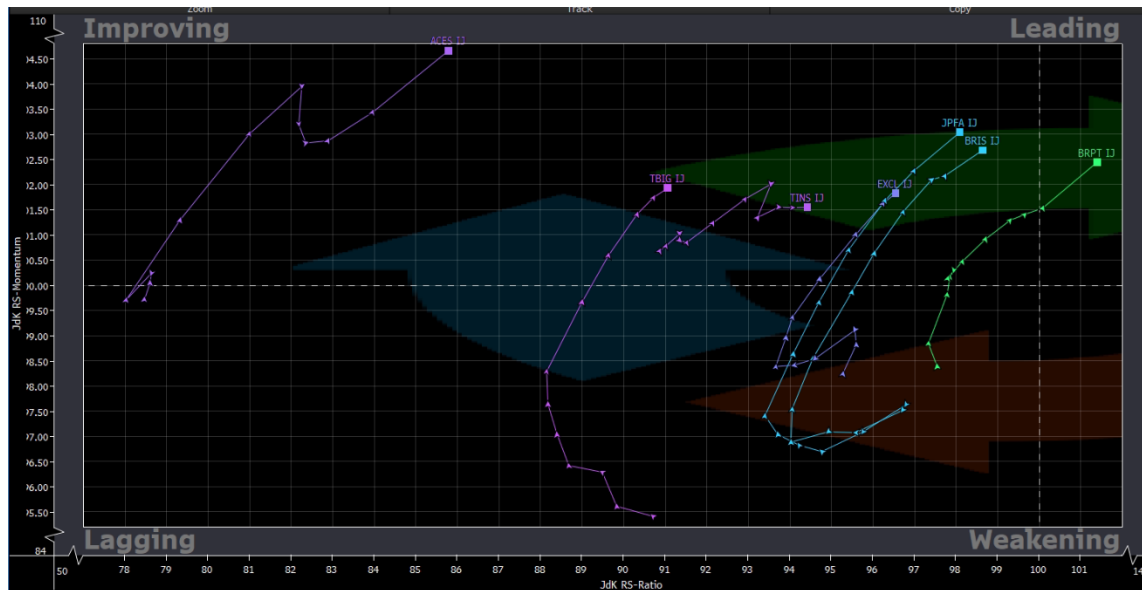
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
BBCA	1,274,574	GOTO	193,724
BBRI	669,572	MDKA	83,302
BMRI	654,769	ASII	53,429
BBNI	208,243	INTP	39,219
ADRO	129,462	AMRT	38,516

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
ACES	525-535 / 570 / 600	485
BRIS	1350 / 1370 / 1440	1290
BRPT	870-880 / 900 / 915	830
TINS	1240-1250 / 1280-1290 / 1320-1330	1200
EXCL	2300 / 2430-2440	2190
TBIG	2230-2260 / 2430-2470	2090
JPFA	1385-1395 / 1430 / 1475	1330

Source: Bloomberg, NHKSI Research

JCI Index

Support	6880-6815 / 6800	Resistance	6890-6900 / 6955-6965 / 7000 / 7100-7130
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Jakarta Stock Exchange Composite Index, Indonesia, Jakarta:JKSE, D

MA (10, close, 0)
MA (20, close, 0)
MA (50, close, 0)



Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
Monday 13 - Feb.	CH	—	FDI YTD YoY CNY	Jan	—	6.3%
	GE	—	Wholesale Price Index YoY	Jan	—	12.8%
Tuesday 14 - Feb.	US	20:30	CPI YoY	Jan	6.2%	6.5%
	JP	06:50	GDP Annualized SA QoQ	4Q P	1.8%	-0.8%
Wednesday 15 - Feb.	US	20:30	Retail Sales Advance MoM	Jan	1.7%	-1.1%
	US	21:15	Industrial Production MoM	Jan	0.5%	-0.7%
	ID	—	Imports YoY	Jan	0.95%	-6.61%
	ID	—	Trade Balance	Jan	\$3,258M	\$3,890M
	ID	—	Exports YoY	Jan	12.95%	6.58%
Thursday 16 - Feb.	US	20:30	Housing Starts	Jan	1,355K	1,382K
	US	20:30	Initial Jobless Claims	Feb 11	—	196K
	US	20:30	Continuing Claims	Feb 4	—	1,688K
	US	20:30	PPI Final Demand MoM	Jan	0.4%	-0.5%
	ID	14:20	Bank Indonesia 7D Reverse Repo	Feb 15	5.75%	5.75%
Friday 17 - Feb.	US	20:30	Import Price Index MoM	Jan	-0.1%	0.4%
	US	20:30	Export Price Index MoM	Jan	-0.2%	-2.6%
	FR	14:45	CPI YoY	Jan F	—	6.0%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	—
13 - Feb.	Cum Dividend	—
Tuesday	RUPS	MGRO, WSKT
14- Feb.	Cum Dividend	—
Wednesday	RUPS	—
15 - Feb.	Cum Dividend	—
Thursday	RUPS	BKSW, MIKA
16 - Feb.	Cum Dividend	—
Friday	RUPS	MIDI
17 - Feb.	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							3,467.9							
BBCA	8,825	8,550	9,000	Hold	2.0	12.8	1,087.9	26.7x	4.9x	19.2	1.8	8.9	29.4	0.9
BBRI	4,860	4,940	5,500	Overweight	13.2	9.2	736.6	14.4x	2.5x	17.4	1.2	6.6	31.9	1.1
BBNI	9,525	9,225	10,700	Overweight	12.3	23.7	177.6	9.7x	1.3x	14.1	1.5	8.7	67.8	1.3
BMRI	10,300	9,925	10,000	Hold	(2.9)	33.3	480.7	11.7x	2.1x	19.0	3.5	12.7	46.8	1.3
Consumer Non-Cyclicals							1,227.8							
ICBP	10,300	10,000	11,400	Overweight	10.7	19.1	120.1	25.4x	3.4x	14.1	2.1	14.8	(33.3)	0.5
UNVR	4,580	4,700	4,850	Overweight	5.9	17.4	174.7	32.6x	43.7x	129.0	3.3	4.2	(6.6)	0.5
MYOR	2,440	2,500	2,900	Buy	18.9	36.7	54.6	42.0x	4.6x	11.5	0.9	11.8	11.4	0.7
HMSP	1,085	840	950	Underweight	(12.4)	12.4	126.2	19.6x	4.7x	24.0	5.8	15.0	(12.5)	0.6
CPIN	5,850	5,650	6,600	Overweight	12.8	-	95.9	23.2x	3.6x	16.3	1.8	15.5	19.0	0.6
AALI	8,200	8,025	11,000	Buy	34.1	(18.6)	15.8	9.2x	0.7x	8.3	5.4	(8.3)	(17.2)	1.0
Consumer Cyclicals							344.3							
ERAA	492	392	500	Hold	1.6	(9.7)	7.8	8.0x	1.2x	15.9	4.6	12.1	(4.4)	0.8
MAPI	1,440	1,445	1,700	Buy	18.1	83.4	23.9	11.8x	3.2x	31.9	N/A	55.8	N/A	1.0
Healthcare							306.5							
KLBF	2,360	2,090	2,300	Hold	(2.5)	44.3	110.6	32.6x	5.6x	17.8	1.5	10.9	9.5	0.5
SIDO	800	755	800	Hold	-	(15.3)	24.0	21.7x	6.8x	31.7	4.5	(3.9)	(12.9)	0.5
MIKA	2,940	3,190	3,000	Hold	2.0	31.3	41.9	37.7x	7.9x	21.2	1.2	(9.8)	(16.1)	0.3
Infrastructure							816.49							
TKM	3,800	3,750	4,940	Buy	30.0	(14.6)	376.4	16.8x	3.0x	19.7	3.9	2.7	(12.1)	0.8
JSMR	3,420	2,980	5,100	Buy	49.1	2.1	24.8	13.4x	1.2x	9.1	N/A	10.2	34.4	0.8
EXCL	2,250	2,140	3,800	Buy	68.9	(26.9)	29.5	19.2x	1.2x	6.2	2.3	9.1	(2.1)	0.8
TOWR	1,110	1,100	1,520	Buy	36.9	5.2	56.6	16.3x	4.0x	26.9	2.2	33.6	(1.9)	0.3
TBIG	2,120	2,300	3,240	Buy	52.8	(22.1)	48.0	27.5x	3.8x	15.6	1.7	7.9	8.1	0.6
WIKA	700	800	1,280	Buy	82.9	(36.4)	6.3	N/A	0.5x	(0.1)	N/A	9.8	N/A	1.1
PTPP	710	715	1,700	Buy	139.4	(29.4)	4.4	15.7x	0.4x	2.5	N/A	20.1	9.5	1.2

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							248.2							
CTRA	980	940	1,500	Buy	53.1	2.1	18.2	8.1x	1.0x	13.0	1.4	8.7	49.1	1.0
PWON	466	456	690	Buy	48.1	7.9	22.4	12.1x	1.3x	11.4	0.9	18.7	65.0	1.1
Energy							1,278.3							
PGAS	1,605	1,760	1,770	Overweight	10.3	16.7	38.9	7.8x	1.0x	12.7	7.8	17.2	8.5	1.0
PTBA	3,370	3,690	4,900	Buy	45.4	17.0	38.8	2.9x	1.5x	56.0	20.4	60.3	104.5	1.0
ADRO	2,740	3,850	3,900	Buy	42.3	26.3	87.6	2.3x	1.0x	49.1	14.2	130.2	366.8	1.2
Industrial							408.2							
UNTR	24,500	26,075	32,000	Buy	30.6	6.3	91.4	5.0x	1.2x	25.2	7.0	58.3	102.9	0.8
ASII	5,700	5,700	8,000	Buy	40.4	4.6	230.8	8.1x	1.2x	16.0	4.9	32.2	55.7	1.1
Basic Ind.							950.7							
SMGR	7,750	6,575	9,500	Buy	22.6	5.4	52.4	20.2x	1.2x	6.4	2.2	(0.2)	18.8	0.9
INTP	11,475	9,900	12,700	Overweight	10.7	5.0	42.2	26.6x	2.1x	7.6	4.4	9.9	(17.5)	0.8
INCO	7,200	7,100	8,200	Overweight	13.9	50.6	71.5	22.4x	2.0x	9.5	N/A	27.3	36.3	1.1
ANTM	2,220	1,985	3,450	Buy	55.4	20.3	53.3	19.2x	2.4x	12.9	1.7	27.2	53.6	1.4

Source : Bloomberg, NH KSI Research

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