

Weekly Brief (Feb. 27 – Mar. 3, 2023)

Summary:

Last week review:

The Dow Jones and others confirmed to close last week's trading in negative territory, with the DJIA posting the biggest decline since September, minus of 3% last week causing the Dow to experience a decline of four consecutive weeks. The S&P 500 and Nasdaq Composite were down as well, with 2.7% and 3.3%, respectively. A number of important economic data and comments from Federal Reserve officials further confirmed the US Central Bank's mission to keep interest rates high in order to control the inflation rate. Starting from the FOMC Meeting Minutes on Wednesday, almost all Federal Reserve officials agreed to set the future rate hikes to 25 bps and bring FFR to 4.75% at the next FOMC in March. The resilient US economy was reflected in the expansionary level of the US S&P Global Composite PMI, Initial Jobless Claims that fell below expectations, as well as the US 4Q22 GDP Report that grew solidly at 2.7%. Financial market experts have begun to expect the Fed Funds Rate to peak at 5.35% in July and stay around that level for the rest of the year; prompting speculation of a third-rate hike in June. All these hawkish views led the benchmark 10-year US Treasury yield to hit a 3.5-month high, almost reaching a 4% yield. The Dollar Index of 105.21 settled at a 10-week high as strong US economic data is expected to keep the Fed hawkish. **On the domestic note**, the 4Q22 current account surplus of USD 4.3 billion (1.3% of GDP) failed to aid the JCI's performance in the past week, which also corrected slightly by 0.5%, despite IDR 226.4 billion in foreign funds. It seems that the Rupiah exchange rate position at IDR 15220/USD (the lowest level of USD/IDR in 1.5 months) is a black cloud that overshadows domestic market sentiment.

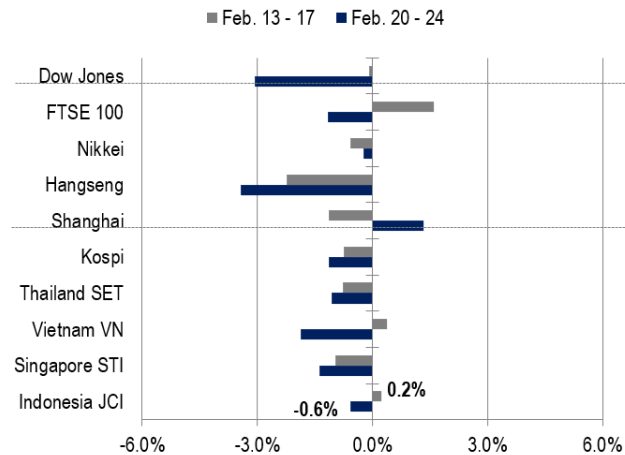
This week's outlook:

A series of economic data will provide an overview of the US economy's robustness, as reflected in the Durable Goods Orders, Consumer Confidence, Home Sales Releases; as well as ISM Manufacturing & Service, which are scheduled to come out on Wednesday & Friday. Inflation figures from the US & Eurozone (and not to mention Indonesia), will provide an outlook on where interest policy is heading within a short-term. From the Eastern part of the world, China's PMI data is expected to show how the rebound in consumer activity on the Lunar New Year holiday along with the border re-opening policy. To close the week, market participants are also awaiting a number of FY2022 earnings reports from retail companies, as this data is likely to shade light on how well US consumer spending is performing and its impact on the Inflation rate.

JCI Index	: 6,856.58 (-0.6%)
Foreign Flow	: Net Sell of IDR 1.7 Trillion (Vs. last week's net sell of IDR 1.4 Trillion)
USD/IDR	: 15,225 (+0.14%)

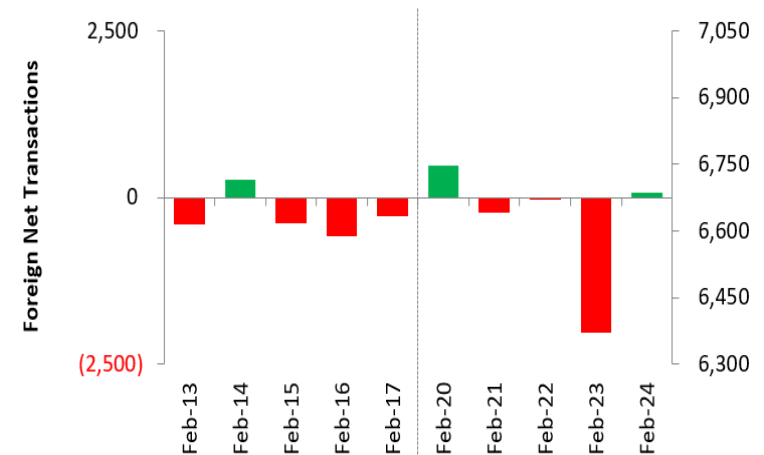
Last Week's JCI Movement

Global Market Movement



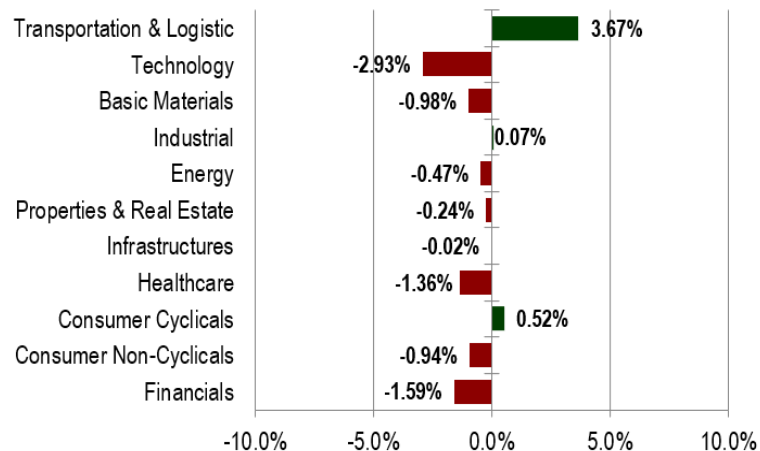
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



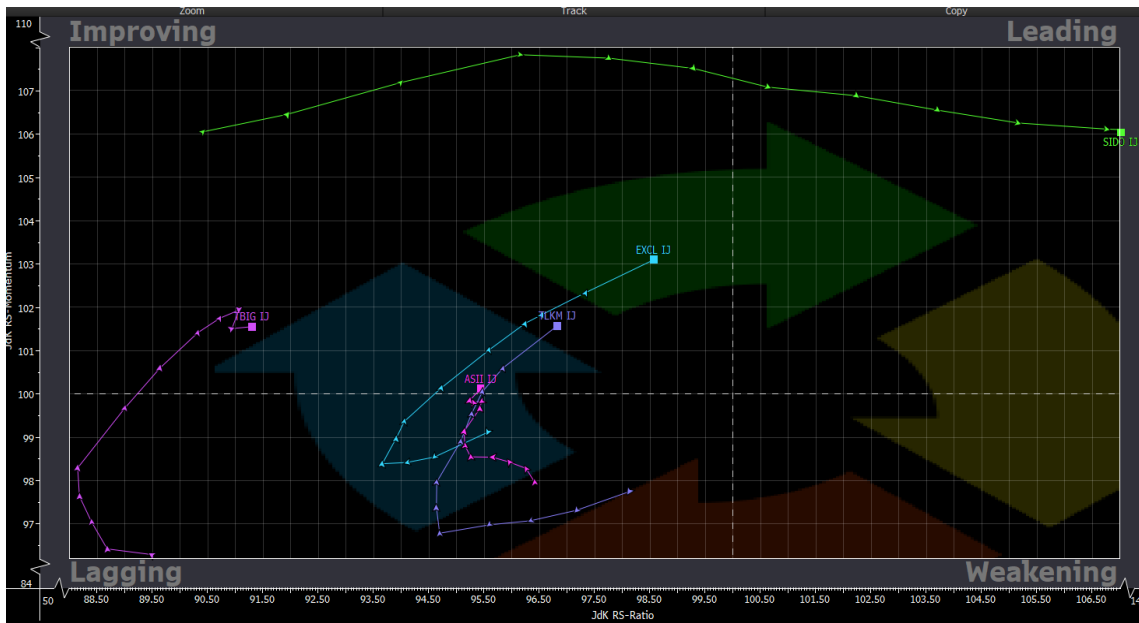
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
TLKM	344,678	BBCA	178,378
BBRI	283,565	ASII	92,055
BBNI	212,847	BTPS	76,942
MDKA	119,499	BRIS	61,251
UNTR	86,698	HMSP	60,112

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
ASII	6000-6050 / 6600	5550
EXCL	2360-2400 / 2420 / 2520	2240
SIDO	900 / 970	845
TOWR	1135-1140 / 1180	1060
TLKM	4170 / 4280	3940

Source: Bloomberg, NHKSI Research

JCI Index

Support	6825-6800 / 6780-6750 / 6710 / 6650.	Resistance	6880-6890 / 6900 / 6955-6965 / 7000.
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Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
Monday	US	20:30	Durable Goods Orders	Jan P	-3.9%	5.6%
27 - Feb.	US	22:00	Pending Home Sales MoM	Jan	0.9%	2.5%
Tuesday	US	22:00	Conf. Board Consumer Confidence	Feb	108.4	107.1
28 - Feb.	JP	06:50	Industrial Production MoM	Jan P	-2.9%	0.3%
	FR	14:45	GDP QoQ	4Q F	—	0.1%
Wednesday	US	21:45	S&P Global US Manufacturing PMI	Feb F	47.8	47.8
1 - Mar.	US	22:00	ISM Manufacturing	Feb	47.8	47.4
	CH	08:30	Manufacturing PMI	Feb	50.7	50.1
	ID	—	CPI YoY	Feb	—	5.28%
	KR	07:00	Exports YoY	Feb	-8.8%	-16.6%
	KR	07:00	Imports YoY	Feb	4.4%	-2.6%
Thursday	US	20:30	Initial Jobless Claims	Feb 24	—	192K
2 - Mar.	US	20:30	Continuing Claims	Feb 18	—	1,654K
	JP	06:50	Capital Spending YoY	4Q	7.1%	9.8%
	KR	06:00	Industrial Production YoY		-8.9%	-7.3%
Friday	US	21:45	S&P Global US Composite PMI	Feb F	—	50.2
3 - Mar.	CH	08:45	Caixin China PMI Composite	Feb	—	51.1

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	HAIS, PTSN
27 - Feb.	Cum Dividend	—
Tuesday	RUPS	GTSI, MEDS, PKPK
28- Feb.	Cum Dividend	—
Wednesday	RUPS	—
1 - Mar.	Cum Dividend	—
Thursday	RUPS	BPFI, GOTO
2 - Mar.	Cum Dividend	—
Friday	RUPS	BCIC, PRIM
3 - Mar.	Cum Dividend	XCID

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							3,416.3							
BBCA	8,675	8,550	9,000	Hold	3.7	7.8	1,069.4	26.3x	4.8x	19.2	1.8	8.9	29.4	0.9
BBRI	4,780	4,940	5,500	Buy	15.1	5.1	724.5	14.2x	2.4x	17.4	1.2	6.6	31.9	1.2
BBNI	8,900	9,225	10,700	Buy	20.2	11.3	166.0	9.1x	1.2x	14.1	1.6	8.7	67.8	1.3
BMRI	10,075	9,925	10,000	Hold	(0.7)	30.8	470.2	11.4x	2.0x	19.0	3.6	12.7	46.8	1.3
Consumer Non-Cyclicals							1,221.2							
ICBP	10,075	10,000	11,400	Overweight	13.2	18.5	117.5	24.9x	3.4x	14.1	2.1	14.8	(33.3)	0.5
UNVR	4,330	4,700	4,850	Overweight	12.0	17.7	165.2	30.8x	41.3x	129.0	3.5	4.2	(6.6)	0.5
MYOR	2,670	2,500	2,900	Overweight	8.6	52.6	59.7	45.9x	5.1x	11.5	0.8	11.8	11.4	0.7
HMSP	1,170	840	950	Sell	(18.8)	21.2	136.1	21.2x	5.1x	24.0	5.4	15.0	(12.5)	0.6
CPIN	5,650	5,650	6,600	Buy	16.8	(2.6)	92.6	22.4x	3.5x	16.3	1.9	15.5	19.0	0.6
AALI	8,400	8,025	11,000	Buy	31.0	(26.0)	16.2	9.4x	0.7x	8.2	5.3	(10.3)	(12.4)	1.0
Consumer Cyclicals							351.9							
ERAA	535	392	500	Underweight	(6.5)	(3.6)	8.5	8.7x	1.3x	15.9	4.3	12.1	(4.4)	0.8
MAPI	1,610	1,445	1,700	Overweight	5.6	105.1	26.7	13.2x	3.6x	31.9	N/A	55.8	N/A	1.0
Healthcare							305.8							
KLBF	2,220	2,090	2,300	Hold	3.6	35.0	104.1	30.6x	5.3x	17.8	1.6	10.9	9.5	0.5
SIDO	865	755	950	Overweight	9.8	(11.3)	26.0	23.5x	7.4x	31.7	4.2	(3.9)	(12.9)	0.5
MIKA	3,050	3,190	3,000	Hold	(1.6)	37.4	43.5	39.2x	8.2x	21.2	1.2	(9.8)	(16.1)	0.3
Infrastructure							891.68							
TLKM	3,970	3,750	4,940	Buy	24.4	(8.5)	393.3	17.5x	3.2x	19.7	3.8	2.7	(12.1)	0.8
JSMR	3,450	2,980	5,100	Buy	47.8	2.1	25.0	13.5x	1.2x	9.1	N/A	10.2	34.4	0.9
EXCL	2,270	2,140	3,800	Buy	67.4	(20.6)	29.8	21.9x	1.2x	4.9	2.2	8.9	(13.2)	0.8
TOWR	1,075	1,100	1,520	Buy	41.4	3.9	54.8	15.7x	3.9x	26.9	2.2	33.6	(1.9)	0.3
TBIG	2,110	2,300	3,240	Buy	53.6	(28.2)	47.8	27.3x	3.8x	15.6	1.7	7.9	8.1	0.6
WIKA	635	800	1,280	Buy	101.6	(37.1)	5.7	N/A	0.4x	(0.1)	N/A	9.8	N/A	1.1
PTPP	665	715	1,700	Buy	155.6	(30.4)	4.1	14.7x	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							244.9							
CTRA	950	940	1,500	Buy	57.9	2.7	17.6	7.8x	1.0x	13.0	1.5	8.7	49.1	1.0
PWON	452	456	690	Buy	52.7	(1.3)	21.8	11.8x	1.3x	11.4	0.9	18.7	65.0	1.1
Energy							1,279.2							
PGAS	1,530	1,760	1,770	Buy	15.7	6.3	37.1	7.3x	0.9x	12.7	8.1	17.2	8.5	1.0
PTBA	3,740	3,690	4,900	Buy	31.0	19.1	43.1	3.3x	1.6x	56.0	18.4	60.3	104.5	1.0
ADRO	2,920	3,850	3,900	Buy	33.6	19.2	93.4	2.5x	1.0x	49.1	13.4	130.2	366.8	1.2
Industrial							410.7							
UNTR	25,025	26,075	32,000	Buy	27.9	0.5	93.3	5.1x	1.2x	25.2	6.9	58.3	102.9	0.8
ASII	5,725	5,700	8,000	Buy	39.7	(1.3)	231.8	8.1x	1.2x	16.0	4.9	32.2	55.7	1.1
Basic Ind.							928.6							
SMGR	7,350	6,575	9,500	Buy	29.3	2.4	49.6	19.1x	1.2x	6.4	2.3	(0.2)	18.8	0.9
INTP	11,100	9,900	12,700	Overweight	14.4	1.4	40.9	25.7x	2.0x	7.6	4.5	9.9	(17.5)	0.8
INCO	6,550	7,100	8,200	Buy	25.2	21.3	65.1	21.3x	1.8x	8.9	N/A	23.7	21.0	1.1
ANTM	1,995	1,985	3,450	Buy	72.9	(10.1)	47.9	17.3x	2.1x	12.9	1.9	27.2	53.6	1.4

Source : Bloomberg, NH KSI Research

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