

Weekly Brief (Feb. 6 – Feb. 10, 2023)

Summary:

Last week review:

The rise in US stock indices can be said to create a January Barometer that signalled an upbeat year, starting with the S&P 500 rising 6.2% in January (close to a 5-month high) with 7.7% YTD (vs minus 19.4% last year, which was the worst decline since 2008). The Nasdaq as well experience the Uptrend with 5 consecutive weeks of gains, one of the most sustainable since late 2021. Domestically, Rupiah has been consistently below 15K, which has stimulated the Finance sector and brought JCI to close above the psychological level of 6900. However, it has not been supported by foreign net buy, as the Net Sell was still recorded at IDR 460.22 billion last week. Moreover, the market was supported by a series of positive sentiments from global & US macroeconomic data, topped off by last Friday's unexpectedly strong US nonfarm payrolls report, which rose well above expectations while the unemployment rate fell to a 53.5-year low; keeping fears that the Federal Reserve will maintain a tight monetary policy that eventually leads the economy into recession. The US Central Bank officially raised US interest rates another 25 bps to a range of 4.5%-4.75%. The ECB & BOE raised benchmark rates 50bps to 3% and 4%, respectively, with the Bank of England implying that the highest level of inflation has passed and the European Central Bank indicating at least one more (rate) hike to come.

This week's outlook:

After The Labor Department reported the economy added 517,000 jobs in January (almost three times what was expected), making investors recalibrate expectations over how hawkish the Fed may need to be in its efforts to rein in inflation as markets will be closely watching an appearance by Fed Chair Jerome Powell on Tuesday. Earnings season continues to be the spotlight for the domestic and global. Meanwhile, coming from the Asia-Pacific continent, markets are still waiting for the final decision on the 25 bps interest rate hike by the Reserve Bank of Australia on Tuesday after their inflation surged to a 33-year high. The Reserve Bank of India seems to be the earliest to bring inflation under control as they will put the rate hike on brakes after the 25 bps decision this Wednesday. Comments by European Central Bank officials will be closely watched after the ECB hiked rates by 50 bps last Thursday and all but promised more of the same in March. Germany is to release January inflation data on Thursday, which consensus is expected to accelerate. Indonesia and the UK will release GDP data on Monday and Friday, respectively.

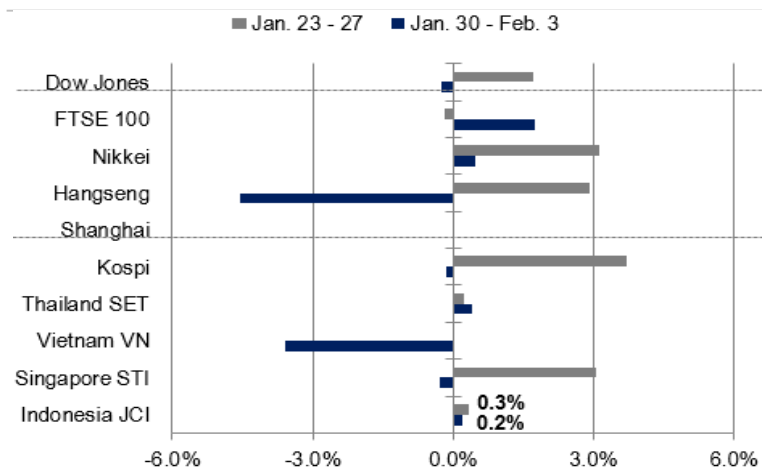
JCI Index : 6,898.98 (+0.3%)

Foreign Flow : Net sell of IDR 2.1 Trillion (Vs. last week's net sell of IDR 2.0 Trillion)

USD/IDR : 14,985 (-0.60%)

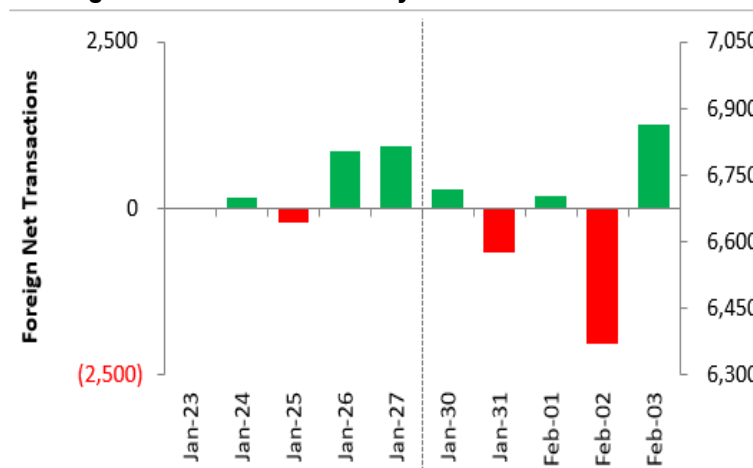
Last Week's JCI Movement

Global Market Movement



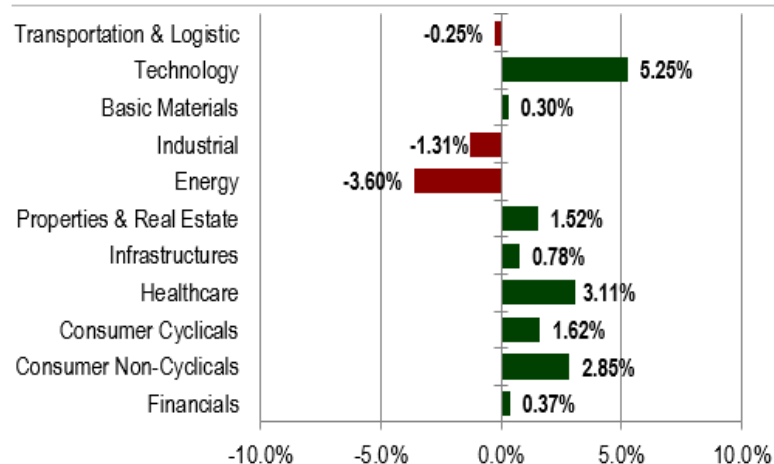
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



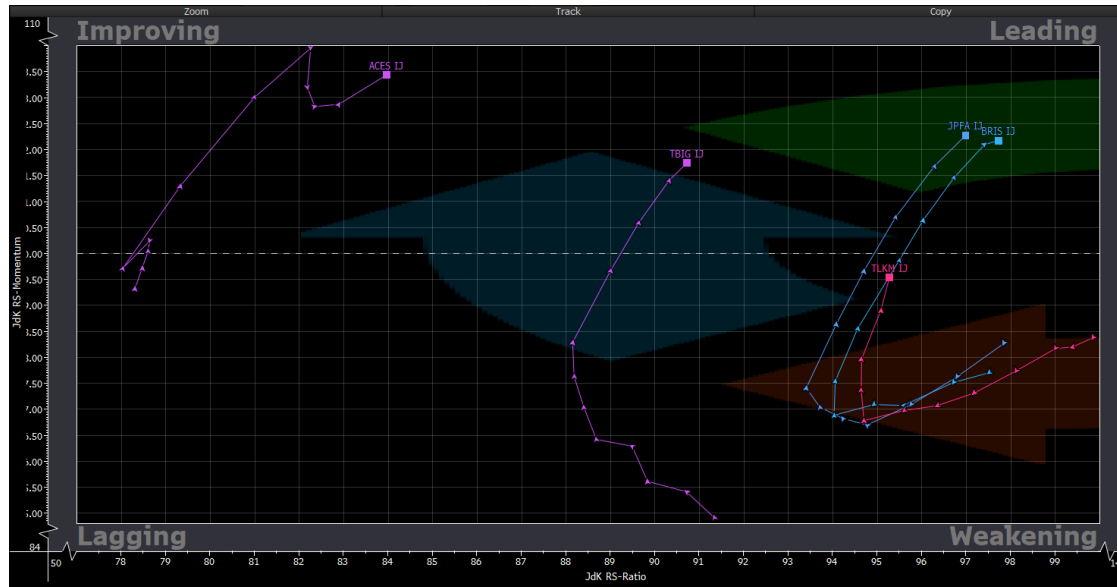
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
BBRI	528,080	BMRI	513,521
MDKA	144,236	AMRT	248,650
BBCA	115,051	KLBF	51,243
GOTO	90,253	HMSP	48,349
ASII	90,114	CPIN	46,777

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
ACES	520-525 / 550-560 / 590-600 / 650	460
BRIS	1425-1440 / 1470 / 1500	1325
JPFA	1425-1430 / 1475-1480	1330
TBIG	2200 / 2260-2290 / 2430-2470	2050
TLKM	4000 / 4060-4100	3840

Source: Bloomberg, NHKSI Research

JCI Index

Support	6890 / 6870-6830 / 6780	Resistance	6955-6965 / 7000 / 7100-7130.
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Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
Monday 6 - Feb.	ID	11:00	GDP YoY	4Q	4.92%	5.72%
	ID	11:00	GDP QoQ	4Q	0.35%	1.81%
	ID	11:00	GDP Annual YoY	2022	5.30%	3.69%
	GE	14:00	Factory Orders MoM	Dec	2.0%	-5.3%
Tuesday 7 - Feb.	US	20:30	Trade Balance	Dec	-\$68.5B	-\$61.5B
	CH	—	Foreign Reserves	Jan	\$3,156.5B	\$3,127.6B
	ID	10:00	Foreign Reserves	Jan	—	\$137.2B
	GE	14:00	Industrial Production SA MoM	Dec	-0.8%	0.2%
	FR	14:45	Trade Balance	Dec	-12,000M	-13,766M
Wednesday 8 - Feb.	US	19:00	MBA Mortgage Applications	Feb 3	—	-9.0%
	US	22:00	Wholesale Inventories MoM	Dec F	0.1%	0.1%
	ID	—	Consumer Confidence Index	Jan	—	119.9
	JP	06:50	BoP Current Account Balance	Dec	112.0B	1,803B
	JP	06:50	Trade Balance BoP Basis	Jan	1,115B	1,537B
	KR	06:00	BoP Current Account Balance	Dec	—	-\$621.7M
Thursday 9 - Feb.	US	20:30	Initial Jobless Claims	Feb 4	190K	183K
	US	20:30	Continuing Claims	Jan 28	1,660K	1,655K
	CH	—	Money Supply M2 YoY	Jan	11.7%	11.8%
	JP	06:50	Money Stock M2 YoY	Jan	—	2.9%
	GE	14:00	CPI YoY	Jan P	8.9%	8.6%
Friday 10 - Feb.	US	22:00	U. of Mich. Sentiment	Feb P	65.0	64.9
	CH	08:30	CPI YoY	Jan	2.2%	1.8%
	CH	08:30	PPI YoY	Jan	-0.4%	-0.7%
	JP	06:50	PPI YoY	Jan	9.7%	10.2%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	—
6 - Feb.	Cum Dividend	AMOR
Tuesday	RUPS	—
7- Feb.	Cum Dividend	—
Wednesday	RUPS	JSMR, ESSA, AGRS
8 - Feb.	Cum Dividend	—
Thursday	RUPS	—
9 - Feb.	Cum Dividend	—
Friday	RUPS	BALI
10 - 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							3,432.0							
BBCA	8,700	8,550	9,000	Hold	3.4	12.6	1,072.5	26.4x	4.9x	19.2	1.8	8.9	29.4	0.9
BBRI	4,800	4,940	5,500	Overweight	14.6	14.0	727.5	13.6x	2.4x	17.8	1.2	7.6	80.4	1.2
BBNI	9,325	9,225	10,700	Overweight	14.7	27.3	173.9	9.5x	1.3x	14.1	1.6	8.7	67.8	1.3
BMRI	10,000	9,925	10,000	Hold	-	33.8	466.7	11.3x	2.0x	19.0	3.6	12.7	46.8	1.3
Consumer Non-Cyclicals							1,225.0							
ICBP	10,400	10,000	11,400	Overweight	9.6	20.6	121.3	25.7x	3.5x	14.1	2.1	14.8	(33.3)	0.5
UNVR	4,700	4,700	4,850	Hold	3.2	16.9	179.3	29.9x	31.3x	108.4	3.3	5.0	5.2	0.5
MYOR	2,460	2,500	2,900	Buy	17.9	30.9	55.0	42.3x	4.7x	11.5	0.9	11.8	11.4	0.7
HMSP	1,030	840	950	Underweight	(7.8)	7.9	119.8	18.6x	4.5x	24.0	6.1	15.0	(12.5)	0.7
CPIN	5,850	5,650	6,600	Overweight	12.8	(2.1)	95.9	23.2x	3.6x	16.3	1.8	15.5	19.0	0.6
AALI	8,225	8,025	11,000	Buy	33.7	(15.4)	15.8	9.2x	0.7x	8.3	5.4	(8.3)	(17.2)	1.0
Consumer Cyclicals							347.3							
ERAA	492	392	500	Hold	1.6	(10.5)	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	89.5	23.9	11.8x	3.2x	31.9	N/A	55.8	N/A	1.0
Healthcare							300.3							
KLBF	2,170	2,090	2,300	Overweight	6.0	28.4	101.7	30.0x	5.2x	17.8	1.6	10.9	9.5	0.5
SIDO	785	755	800	Hold	1.9	(14.7)	23.6	21.1x	6.7x	33.9	4.6	(5.9)	(17.4)	0.5
MIKA	2,980	3,190	3,000	Hold	0.7	18.7	42.5	38.2x	8.0x	21.2	1.2	(9.8)	(16.1)	0.3
Infrastructure							828.60							
TLKM	3,860	3,750	4,940	Buy	28.0	(8.7)	382.4	17.0x	3.1x	19.7	3.9	2.7	(12.1)	0.8
JSMR	3,410	2,980	5,100	Buy	49.6	-	24.7	13.4x	1.2x	9.1	N/A	10.2	34.4	0.8
EXCL	2,280	2,140	3,800	Buy	66.7	(28.5)	29.9	19.4x	1.2x	6.2	2.2	9.1	(2.1)	0.8
TOWR	1,115	1,100	1,520	Buy	36.3	7.2	56.9	16.3x	4.0x	26.9	2.2	33.6	(1.9)	0.3
TBIG	2,080	2,300	3,240	Buy	55.8	(26.5)	47.1	26.9x	3.7x	15.6	1.7	7.9	8.1	0.6
WIKA	740	800	1,280	Buy	73.0	(33.6)	6.6	N/A	0.5x	(0.1)	N/A	9.8	N/A	1.1
PTPP	720	715	1,700	Buy	136.1	(26.9)	4.5	15.9x	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							252.6							
CTRA	1,000	940	1,500	Buy	50.0	5.8	18.6	8.2x	1.0x	13.0	1.4	8.7	49.1	1.0
PWON	464	456	690	Buy	48.7	3.6	22.3	12.1x	1.3x	11.4	0.9	18.7	65.0	1.1
Energy							1,290.0							
PGAS	1,575	1,760	1,770	Overweight	12.4	15.0	38.2	7.7x	1.0x	12.7	7.9	17.2	8.5	1.0
PTBA	3,340	3,690	4,900	Buy	46.7	19.7	38.5	2.9x	1.5x	56.0	20.6	60.3	104.5	1.0
ADRO	2,820	3,850	3,900	Buy	38.3	29.4	90.2	2.4x	1.0x	49.1	13.8	130.2	366.8	1.2
Industrial							413.4							
UNTR	24,200	26,075	32,000	Buy	32.2	7.6	90.3	4.9x	1.1x	25.2	7.1	58.3	102.9	0.8
ASII	5,850	5,700	8,000	Buy	36.8	6.4	236.8	8.3x	1.3x	16.0	4.8	32.2	55.7	1.1
Basic Ind.							947.7							
SMGR	7,350	6,575	9,500	Buy	29.3	4.9	49.6	19.1x	1.2x	6.4	2.3	(0.2)	18.8	0.9
INTP	10,875	9,900	12,700	Buy	16.8	-	40.0	25.2x	2.0x	7.6	4.6	9.9	(17.5)	0.8
INCO	7,350	7,100	8,200	Overweight	11.6	55.4	73.0	23.0x	2.1x	9.5	N/A	27.3	36.3	1.1
ANTM	2,310	1,985	3,450	Buy	49.4	27.6	55.5	20.0x	2.5x	12.9	1.7	27.2	53.6	1.3

Source : Bloomberg, NH KSI Research

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