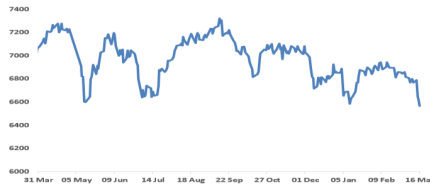


Morning Brief

Daily | Mar. 17, 2023

JCI Movement



Today's Outlook:

A strong rebound on financials helped Wall Street's three indexes to post solid gains of over 1% on Thursday (16/03/23), with the Nasdaq leading the way at 2.48%. Several US financial institutions came together to bail out First Republic Bank by USD 30 billion to save the bank from the downfall that occurred to SVB & Signature Bank. US Treasury Secretary Janet Yellen also tried to calm depositors by stating that the US banking system remains sound and people can feel confident that their deposits will be there when needed. Credit Suisse also experienced the same banking assistance after the Swiss National Bank pledged up to USD 54 billion in credit support to shore up liquidity and investor confidence. Meanwhile, yesterday's US economic data stated that Initial Jobless Claims came out lower than expected at 192k claims (vs. 205k forecast, vs. 212k previous), signaling that the US labor market is still tight. On the other hand, Building Permits (Feb.) rose higher than expected and the previous month, at 1.524 million. In response to this data, money markets estimate the Federal Reserve will raise interest rates by 25 bps at next week's FOMC Meeting, rising to 80% from below 50% previously. Meanwhile, as expected, the ECB has preceded by raising their benchmark interest rate by 50 bps at yesterday's central bank meeting. This afternoon (GMT), the Eurozone CPI figure (Feb.) will be monitored; the figure is expected to remain firm at 8.5%.

On the contrary, due to the turmoil in the global financial sector, JCI has not been able to bounce back from the negative territory throughout Thursday's trading, closing with a decline of almost 1% to the Support area of 6565.73; triggered by Foreign Net Sell of IDR 732.09 billion. Bank Indonesia has also set BI7DRR to remain at 5.75% (since January) as the previous rate hike is believed to be sufficient to control Indonesia's Inflation rate to its target this year. Considering the market sentiment, NHKSI RESEARCH sees the possibility of a technical rebound on JCI, which has entered the critical Support area of 6550-6500; considering that RSI is also in Oversold territory. However, Indonesian capital market investors/traders should avoid big purchases at the end of the week to maintain exposure upon the next possible unexpected blow from the global market over the weekend.

Company News

ITMG : Capex Increased by 133%
TINS : Recorded a Decline in Profit
BBNI : Optimistic that Loans Will Grow 10%

Domestic & Global News

BI Governor Promises to Protect Rupiah from Silicon Valley Bank Crisis Impact
Gold Prices Hold Firm as Banking Worries Persist

Sectors

	Last	Chg.	%
Energy	1946.87	-57.03	-2.85%
Basic Material	1106.90	-28.99	-2.55%
Technology	5028.50	-114.93	-2.23%
Transportation & Logistic	1695.77	-38.25	-2.21%
Property	664.52	-11.04	-1.63%
Consumer Cyclical	790.00	-12.11	-1.51%
Industrial	1130.87	-15.66	-1.37%
Infrastructure	795.95	-10.05	-1.25%
Consumer Non-Cyclical	710.96	-6.85	-0.95%
Finance	1339.68	-11.72	-0.87%
Healthcare	1534.59	8.73	0.57%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.75%	Real GDP	5.01%	5.72%
FX Reserve (USD bn)	140.30	139.40	Current Acc (USD bn)	4.54	4.02
Trd Balance (USD bn)	3.88	3.87	Govt. Spending Yoy	-4.77%	-2.88%
Exports Yoy	4.51%	16.37%	FDI (USD bn)	5.27	5.14
Imports Yoy	-4.32%	1.27%	Business Confidence	104.82	105.33
Inflation Yoy	5.47%	5.28%	Cons. Confidence*	122.40	123.00

JCI Index

March 16	6,565.73
Chg.	62.41 pts (-0.94%)
Volume (bn shares)	17.58
Value (IDR tn)	10.17
Up 93 Down 453 Unchanged 129	

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BBCA	796.5	GOTO	335.9
BBRI	665.2	TLKM	322.7
BMRI	620.2	CUAN	279.8
MDKA	566.2	ADRO	258.5
BBNI	467.6	ASII	175.7

Foreign Transaction

(IDR bn)

Buy			3,217
Sell			3,949
Net Buy (Sell)			(732)
Top Buy	NB Val.	Top Sell	NS Val.
TLKM	42.7	BBCA	290.4
INTP	30.1	BMRI	174.5
GOTO	26.5	MDKA	79.1
AKRA	7.7	BBNI	63.8
PTBA	7.1	BBRI	59.1

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.96%	0.19%
USDIDR	15,380	0.10%
KRWIDR	11.72	-0.63%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,246.55	371.98	1.17%
S&P 500	3,960.28	68.35	1.76%
FTSE 100	7,410.03	65.58	0.89%
DAX	14,967.10	231.84	1.57%
Nikkei	27,010.61	(218.87)	-0.80%
Hang Seng	19,203.91	(335.96)	-1.72%
Shanghai	3,226.89	(36.42)	-1.12%
Kospi	2,377.91	(1.81)	-0.08%
EIDO	21.76	0.16	0.74%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,919.5	0.9	0.05%
Crude Oil (\$/bbl)	68.35	0.74	1.09%
Coal (\$/ton)	174.00	(1.00)	-0.57%
Nickel LME (\$/MT)	23,236	233.0	1.01%
Tin LME (\$/MT)	22,218	(246.0)	-1.10%
CPO (MYR/Ton)	3,933	(34.0)	-0.86%

ITMG: Capex Increased by 133%

PT Indo Tambangraya Megah Tbk's (ITMG) capital expenditure (capex) soared by 133% for 2023, compared to 2022. As for this year, the capex is recorded at USD 84.3 million, of which USD 40 million will be used for the development of Indominco, Trubaindo, Bharinto, and Jorong coal mines. (Bisnis Indonesia)

TINS : Recorded a Decline in Profit

PT Timah Tbk (TINS) posted a net profit of IDR1.04 trillion, down 20.05% YoY. Revenue fell by 14.39% YoY from IDR14.60 trillion in 2021 to IDR 12.50 trillion in 2022. As for the year 2022, the company produced tin and ore metal of 20,079 tons and 19,825 metric tons respectively, as well as metal sales of 10,805 metric tons.

BBNI : Optimistic that Loans Will Grow 10%

PT Bank Negara Indonesia (Persero) Tbk (BBNI) said that this year the company had prepared a bank business plan with key performance indicators in the form of 10% loan growth, with gross non-performing loans (NPL) of less than 2.5% by the end of 2023. This is expected to positively impact the company's profitability so that NIM is projected to be above 4.8% and ROE in the range of 15.7% - 16%. (Issuer News)

Domestic & Global News

BI Governor Promises to Protect Rupiah from Silicon Valley Bank Crisis Impact

Governor of Bank Indonesia (BI) Perry Warjiyo said that the bankruptcy of Silicon Valley Bank along with Silvergate Bank and Signature Bank has no direct impact on the banking industry in Indonesia. However, the turmoil in global financial markets still affects the rupiah exchange rate. Perry, however, said that the spillover effects of the three bankruptcy cases need to remain vigilant due to their influence on market perceptions and expectations. The negative perception of the market has triggered turmoil in global financial markets in the past week. The spillover effect has also triggered foreign capital outflows from developing countries and put pressure on currency exchange rates in many countries, including Indonesia. Therefore, Perry stated that BI continues to take steps to stabilize the rupiah exchange rate by intervening while ensuring market perception is good again. He is optimistic that the rupiah exchange rate will fundamentally strengthen in line with the resilience of Indonesia's financial system stability. (Bisnis)

Gold Prices Hold Firm as Banking Worries Persist

Gold prices edged higher on Thursday, bouncing towards last session's month-and-a-half peak as concerns about the banking crisis continue after the European Central Bank hiked interest rates despite the ongoing financial stability risks. Spot gold was up 0.1% at USD 1,919.31 per ounce, after jumping to its highest since early February at USD 1,937.28 on Wednesday. U.S. gold futures settled 0.4% lower to USD 1,923 per ounce. Ignoring financial market chaos and calls by investors to dial back policy tightening at least until markets stabilise, the European Central Bank raised interest rates by 50 basis points on Thursday. Investors' focus will now shift to next week's U.S. Federal Reserve policy meeting, with markets largely expecting the U.S. central bank to raise rates by 25 bps. While bullion is considered a hedge against economic uncertainties, higher rates increase the opportunity cost of holding the non-yielding asset. Helping bullion further were losses in broader financial markets as shares, bonds and dollar fell.

	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							3,312.9							
BBCA	8,300	8,550	9,000	Overweight	8.4	1.2	1,023.2	25.1x	4.6x	19.2	1.9	8.9	29.4	0.9
BBRI	4,730	4,940	5,800	Buy	22.6	1.7	716.9	14.0x	2.4x	17.4	1.2	6.6	31.9	1.2
BBNI	8,950	9,225	10,700	Buy	19.6	7.2	166.9	9.1x	1.2x	14.1	1.6	8.7	67.8	1.3
BMRI	9,850	9,925	10,000	Hold	1.5	23.9	459.7	11.2x	2.0x	19.0	3.7	12.7	46.8	1.3
Consumer Non-Cyclicals							1,171.6							
ICBP	9,400	10,000	11,400	Buy	21.3	23.3	109.6	23.2x	3.1x	14.1	2.3	14.8	(33.3)	0.5
UNVR	4,070	4,700	4,850	Buy	19.2	18.0	155.3	28.9x	38.8x	129.0	3.8	4.2	(6.6)	0.5
MYOR	2,670	2,500	2,900	Overweight	8.6	58.9	59.7	45.9x	5.1x	11.5	0.8	11.8	11.4	0.7
HMSP	1,150	840	950	Sell	(17.4)	23.0	133.8	20.8x	5.0x	24.0	5.5	15.0	(12.5)	0.6
CPIN	4,800	5,650	6,600	Buy	37.5	(17.2)	78.7	19.0x	3.0x	16.3	2.3	15.5	19.0	0.6
AAJI	7,875	8,025	9,200	Buy	16.8	(35.2)	15.2	8.8x	0.7x	8.2	5.6	(10.3)	(12.4)	1.0
Consumer Cyclicals							353.4							
ERAA	462	392	500	Overweight	8.2	(16.0)	7.4	7.5x	1.1x	15.9	4.9	12.1	(4.4)	0.8
MAPI	1,600	1,445	1,700	Overweight	6.3	98.8	26.6	13.1x	3.6x	31.9	N/A	55.8	N/A	1.0
Healthcare							291.3							
KLBF	2,130	2,090	2,300	Overweight	8.0	31.5	99.8	29.4x	5.1x	17.8	1.6	10.9	9.5	0.5
SIDO	835	755	950	Overweight	13.8	(19.7)	25.1	22.7x	7.1x	31.7	4.3	(3.9)	(12.9)	0.5
MIKA	3,080	3,190	3,000	Hold	(2.6)	46.0	43.9	39.5x	8.3x	21.2	1.2	(9.8)	(16.1)	0.3
Infrastructure							859.75							
TLKM	4,050	3,750	4,940	Buy	22.0	(12.5)	401.2	17.9x	3.2x	19.7	3.7	2.7	(12.1)	0.8
JSMR	3,070	2,980	5,100	Buy	66.1	(12.8)	22.3	8.2x	1.0x	12.9	N/A	9.3	70.1	0.8
EXCL	1,870	2,140	3,800	Buy	103.2	(30.7)	24.6	18.0x	1.0x	4.9	2.7	8.9	(13.2)	0.8
TOWR	910	1,100	1,520	Buy	67.0	(11.2)	46.4	13.3x	3.3x	26.9	2.6	33.6	(1.9)	0.3
TBIG	2,120	2,300	3,240	Buy	52.8	(26.4)	48.0	27.5x	3.8x	15.6	1.7	7.9	8.1	0.6
WIKA	515	800	1,280	Buy	148.5	(49.0)	4.6	N/A	0.4x	(0.1)	N/A	9.8	N/A	1.1
PTPP	560	715	1,700	Buy	203.6	(44.0)	3.5	12.6x	0.3x	2.5	N/A	12.9	2.3	1.2
Property & Real Estate							240.0							
CTRA	940	940	1,500	Buy	59.6	(10.0)	17.4	7.7x	1.0x	13.0	1.5	8.7	49.1	0.9
PWON	424	456	690	Buy	62.7	(14.5)	20.4	11.0x	1.2x	11.4	0.9	18.7	65.0	1.1
Energy							1,270.6							
PGAS	1,355	1,760	1,770	Buy	30.6	(2.9)	32.8	6.5x	0.8x	12.7	9.2	17.2	8.5	1.0
PTBA	3,650	3,690	4,900	Buy	34.2	8.0	42.1	3.3x	1.5x	47.6	18.9	45.8	55.8	1.0
ADRO	2,640	3,850	3,900	Buy	47.7	(6.4)	84.4	2.1x	0.9x	49.1	14.8	102.9	174.4	1.2
Industrial							417.5							
UNTR	26,925	26,075	32,000	Buy	18.8	7.7	100.4	4.7x	1.2x	27.4	6.4	55.6	106.1	0.8
ASII	5,850	5,700	8,000	Buy	36.8	(8.6)	236.8	8.2x	1.2x	15.9	4.8	29.1	43.3	1.1
Basic Ind.							862.2							
SMGR	6,000	6,575	9,500	Buy	58.3	(9.9)	40.5	15.2x	0.9x	5.8	2.9	(0.9)	15.4	0.9
INTP	9,750	9,900	12,700	Buy	30.3	(8.7)	35.9	22.6x	1.8x	7.6	5.1	9.9	(17.5)	0.8
INCO	6,150	7,100	8,200	Buy	33.3	9.8	61.1	19.8x	1.7x	8.9	N/A	23.7	21.0	1.2
ANTM	1,795	1,985	3,450	Buy	92.2	(24.9)	43.1	15.5x	1.9x	12.9	2.2	27.2	53.6	1.4

* Target Price

Source: Bloomberg, NHKS Research

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH	—	Money Supply M2 YoY	Feb	—	12.5%	12.6%
13 - Mar.	CH	—	FDI YTD YoY	Feb	—	—	14.5%
Tuesday	US	19:30	CPI MoM	Feb	0.4%	0.4%	0.5%
14 - Mar.	US	19:30	CPI YoY	Feb	6.0%	6.0%	6.4%
	KR	04:00	Import Price Index YoY	Feb	-0.5%	—	1.7%
	KR	04:00	Export Price Index YoY	Feb	-2.7%	—	-1.3%
Wednesday	US	19:30	PPI Final Demand MoM	Feb	-0.1%	0.3%	0.7%
15 - Mar.	US	19:30	Retail Sales Advance MoM	Feb	-0.4%	-0.4%	3.0%
	ID	—	Trade Balance	Feb	\$5,480Mn	\$3,286Mn	\$3,870Mn
	ID	—	Exports YoY	Feb	4.51%	4.60%	16.37%
	ID	—	Imports YoY	Feb	-4.32%	9.06%	1.27%
	CH	09:00	Industrial Production YTD YoY	Feb	2.4%	2.6%	3.6%
	CH	09:00	Retail Sales YTD YoY	Feb	3.5%	3.5%	-0.2%
Thursday	US	19:30	Initial Jobless Claims	Mar 11	192K	205K	211K
16 - Mar.	US	19:30	Continuing Claims	Mar 4	1,684K	1,723K	1,718K
	US	19:30	Housing Starts	Feb	1,450K	1,310K	1,309K
	ID	14:20	Bank Indonesia 7D Reverse Repo	Mar 15	5.75%	5.75%	5.75%
Friday	US	20:15	Industrial Production MoM	Feb		0.5%	0.0%
17 - Mar.	US	21:00	Leading Index	Feb		-0.2%	-0.3%
	US	21:00	U. of Mich. Sentiment	Mar P		67.0	67.0

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	BBRI
13 - Mar.	Cum Dividend	—
Tuesday	RUPS	BGTG, BMRI, MORA
14 - Mar.	Cum Dividend	—
Wednesday	RUPS	BBNI, ESSA, KONI
15 - Mar.	Cum Dividend	—
Thursday	RUPS	BBCA, BBTN, RMKE
16 - Mar.	Cum Dividend	—
Friday	RUPS	SRIL
17 - Mar.	Cum Dividend	—

Source: Bloomberg



IHSG projection for 17 March 2023 :

Konsolidasi – antisipasi technical rebound.

RSI Oversold.

Limited downside potential.

Support : 6550-6500.

Resistance : 6600 / 6700-6710 / 6735 / 6800 / 6880-6900 / 6955-6965 / 7000.

ADVISE : Hold; or Speculative Buy (small lots).

INKP—PT Indah Kiat Pulp & Paper TBK



PREDICTION 17 MARCH 2023

Overview

Uji Support dari level previous Low Sept'21.

RSI Oversold.

Advise

Speculative Buy.

Entry Level : 6825

Average Up >7000

Target: 7200 / 7450-7500 / 7700 / 8000.

Stoploss: 6800.

WOOD—PT Integra Indocabinet TBK



PREDICTION 17 MARCH 2023

Overview

Sampai di retracement Fibonacci 38.2% dan Support MA50.

Advise

Speculative Buy.

Entry Level: 382-378

Average Up >394

Target : 400 / 406-408.

Stoploss: 374.

HRUM—PT Harum Energy Tbk



PREDICTION 17 MARCH 2023

Overview

Uji Support mid-term.

RSI Oversold.

Advise

Speculative Buy

Entry Level: 1425

Average Up >1455

Target: 1500-1540 / 1600-1620 / 1660-1680.

Stoploss: 1400.

MEDC—PT Medco Energi Internasional Tbk



PREDICTION 17 MARCH 2023

Overview

Uji Support mid-term.

RSI Oversold.

Advise

Speculative Buy

Entry Level: 865.

Average Up >900

Target: 990-1000 / 1050.

Stoploss: 820.

INCO—PT Vale Indonesia Tbk



PREDICTION 17 MARCH 2023

Overview

Limited downside potential.

Candle : long-leg Hammer.

RSI Oversold.

Advise

Speculative Buy.

Entry Level: 6150-6000

Average Up >6200

Target: 6400-6500 / 6900-7000.

Stoploss: 5900 (BUYBACK: 5750).

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