

Weekly Brief (Mar. 20 – Mar. 24, 2023)

Summary:

Last week review:

Several banking industry turmoil plagued the US & European markets last week, ending with 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. 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. Mixed economic data releases from the US reported US CPI & PPI (Feb.) data both managed to ease, to 6% and minus 0.1% YoY respectively (vs 6.4% and 0.3% previous). Meanwhile Retail Sales (Feb.) also slid by a larger than expected -0.3%, to -0.4%. However, it turns out that inflation pressure is still high as 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. Meanwhile, the ECB has preceded with a 50 bps rate hike at last week's central bank meeting, as expected. As for the Eurozone CPI figure (Feb.), it remained firm at 8.5% as forecast, slightly sloping from Jan. at 8.6%. China's economy is on the rise as evidenced by the China Industrial Production (Feb.) report which rose 2.4% YoY, higher than 1.3% in Jan. China's Retail Trade (Jan.-Feb.) also expanded 3.5% YoY compared to the -1.8% fall last Dec. Indonesia's Trade Balance (Feb.) posted another surplus of USD 5.48 billion, significantly above expectation of USD 3.27 billion. Meanwhile, Bank Indonesia has also set BI7DRR to remain at 5.75% (since January) as the previous rate hike is believed to be enough to control Indonesia's inflation rate towards its target this year.

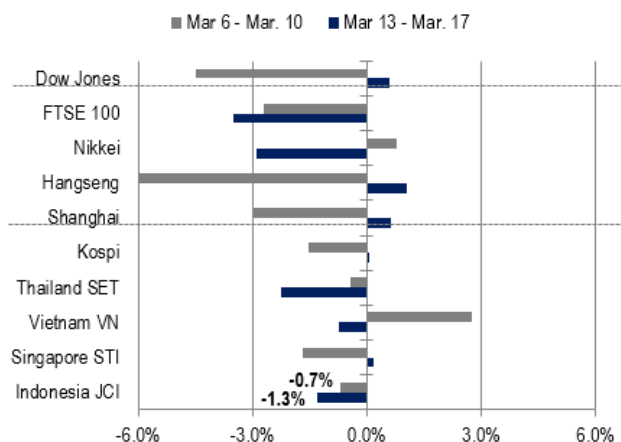
This week's outlook:

The global market attention will still be focused on the global banking crisis. Some of the largest central banks are taking concerted steps to jointly stop the spread of the banking crisis, after the Swiss authorities managed to convince UBS Group AG to agree on buying Credit Suisse for USD 3.23 billion in a deal agreed on Sunday. The US Federal Reserve stated, along with the central banks of Canada, UK, Japan, Eurozone as well as the Swiss, they are coordinating to support market liquidity by being prepared to extend credit when needed. The interest rate decisions by the Federal Reserve and the Bank of England will be released on the same date in March 23 at their respective local times. Meanwhile, a number of economic data from around the world will also fill the short trading week for Indonesia as it is cut short by two Nyepi holidays as well as the first day of fasting month on March 22-23; starting from German PPI (Feb.) and Euro Zone Trade Balance (Jan.), followed by ZEW Economic Sentiment (Mar.); then CPI (Feb.), Retail Sales (Feb.), UK and Eurozone PMI.

JCI Index	: 6,678.24 (-1.3%)
Foreign Flow	: Net Sell of IDR 1.0 Trillion (Vs. last week's net buy of IDR 0.4 Trillion)
USD/IDR	: 15,345 (-0.68%)

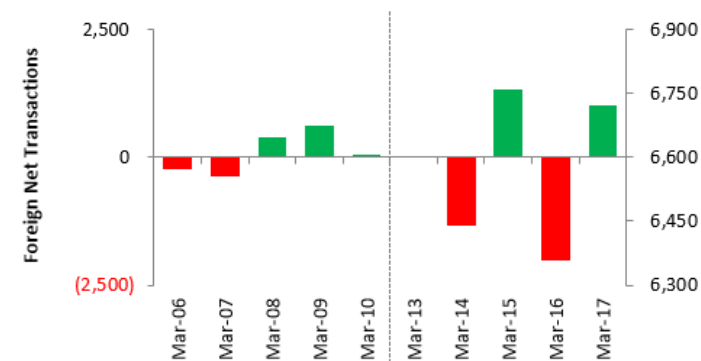
Last Week's JCI Movement

Global Market Movement



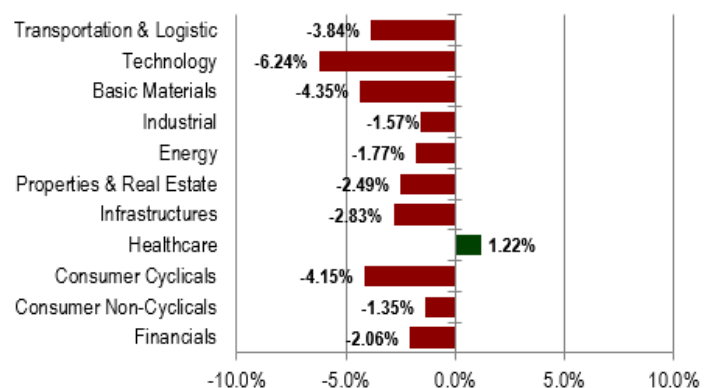
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



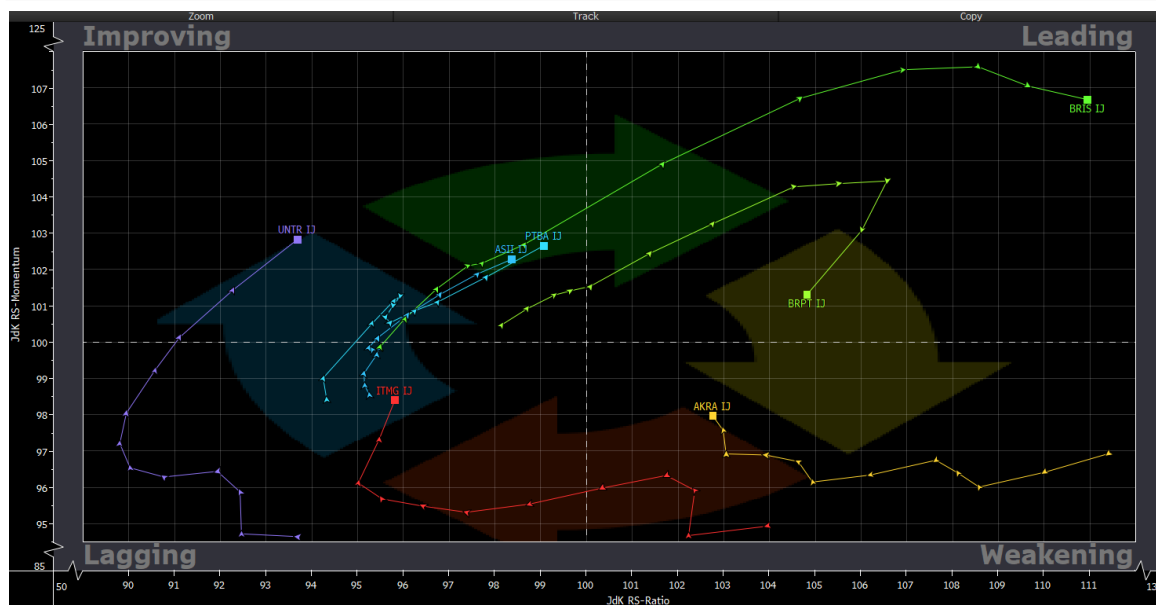
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
GOTO	402,779	BBCA	957,128
TLKM	125,089	BMRI	652,431
PTBA	96,280	ASII	379,800
ESSA	41,040	BBNI	242,962
ITMG	22,941	ANTM	62,055

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
AKRA	1455-1465/1500	1335
ASII	6000-6050/ 6200-6300/6500	5750
BRIS	1720/1760	1560
BRPT	800-810/840/875	745
ITMG	41300/42350/ 43800	37100
PTBA	4000-4020/4300	3720
UNTR	29300-29400/3000 -30300	27200

Source: Bloomberg, NHKSI Research

JCI Index

Support	6565 / 6550-6500	Resistance	6720 / 6780-6810 / 6880-6900 / 6955-6965 / 7000
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Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
Monday	CH	—	5-Year Loan Prime Rate	Mar 20	4.30%	4.30%
20 - Mar.	GE	14:00	PPI YoY	Feb	—	12.7%
Tuesday	US	21:00	Existing Home Sales	Feb	4.15Mn	4.00Mn
21 - Mar.	KR	04:00	PPI YoY	Feb	—	5.1%
Wednesday	US	18:00	MBA Mortgage Applications	Mar 17	—	6.5%
22 - Mar.	JP	13:00	Machine Tool Orders YoY	Feb F	—	-10.7%
Thursday	US	01:00	FOMC Rate Decision (Upper Bound)	Mar 22	5.00%	4.75%
23 - Mar.	US	01:00	FOMC Rate Decision (Lower Bound)	Mar 22	4.75%	4.50%
	US	19:30	Initial Jobless Claims	Mar 18	—	192K
	US	21:00	New Home Sales	Feb	650K	670K
Friday	US	19:30	Durable Good Orders	Feb P	1.7%	-4.5%
24 - Mar.	US	20:45	S&P Global US Manufacturing PMI	Feb P	47.3	47.3
	JP	07:30	Jibun Bank Japan PMI Mfg	Mar P	—	47.7

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	FASW
20- Mar.	Cum Dividend	—
Tuesday	RUPS	AMOR, PANR
21 - Mar.	Cum Dividend	BBRI
Wednesday	RUPS	—
22 - Mar.	Cum Dividend	—
Thursday	RUPS	—
23 - Mar.	Cum Dividend	—
Friday	RUPS	CCSI, EAST, LPGI
24 - Mar.	Cum Dividend	BMRI

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							3,361.7							
BBCA	8,375	8,550	9,000	Overweight	7.5	6.0	1,032.4	25.4x	4.7x	19.2	1.9	8.9	29.4	0.9
BBRI	4,900	4,940	5,800	Buy	18.4	7.0	742.6	14.5x	2.5x	17.4	1.2	6.6	31.9	1.2
BBNI	9,025	9,225	10,700	Buy	18.6	8.7	168.3	9.2x	1.2x	14.1	1.6	8.7	67.8	1.3
BMRI	10,100	9,925	10,000	Hold	(1.0)	27.4	471.3	11.4x	2.1x	19.0	3.6	12.7	46.8	1.3
Consumer Non-Cyclicals							1,172.8							
ICBP	9,550	10,000	11,400	Buy	19.4	26.1	111.4	23.6x	3.2x	14.1	2.3	14.8	(33.3)	0.5
UNVR	4,160	4,700	4,850	Buy	16.6	23.8	158.7	29.6x	39.7x	129.0	3.7	4.2	(6.6)	0.5
MYOR	2,650	2,500	2,900	Overweight	9.4	58.2	59.3	45.6x	5.0x	11.5	0.8	11.8	11.4	0.7
HMSP	1,120	840	950	Sell	(15.2)	24.4	130.3	20.3x	4.9x	24.0	5.7	15.0	(12.5)	0.6
CPIN	4,970	5,650	6,600	Buy	32.8	(15.4)	81.5	19.7x	3.1x	16.3	2.2	15.5	19.0	0.6
AALI	7,875	8,025	9,200	Buy	16.8	(34.4)	15.2	8.8x	0.7x	8.2	5.6	(10.3)	(12.4)	1.0
Consumer Cyclicals							348.1							
ERAA	494	392	500	Hold	1.2	(12.6)	7.9	8.0x	1.2x	15.9	4.6	12.1	(4.4)	0.9
MAPI	1,600	1,445	1,700	Overweight	6.3	96.3	26.6	13.1x	3.6x	31.9	N/A	55.8	N/A	0.9
Healthcare							299.9							
KLBF	2,220	2,090	2,300	Hold	3.6	36.2	104.1	30.6x	5.3x	17.8	1.6	10.9	9.5	0.4
SIDO	825	755	950	Buy	15.2	(20.7)	24.8	22.4x	7.1x	31.7	4.4	(3.9)	(12.9)	0.6
MIKA	3,120	3,190	3,000	Hold	(3.8)	49.3	44.4	40.1x	8.4x	21.2	1.2	(9.8)	(16.1)	0.3
Infrastructure							865.47							
TLKM	4,050	3,750	4,940	Buy	22.0	(10.8)	401.2	17.9x	3.2x	19.7	3.7	2.7	(12.1)	0.8
JSMR	3,150	2,980	5,100	Buy	61.9	(12.5)	22.9	8.4x	1.0x	12.9	N/A	9.3	70.1	0.8
EXCL	1,950	2,140	3,800	Buy	94.9	(26.4)	25.6	18.8x	1.0x	4.9	2.6	8.9	(13.2)	0.8
TOWR	915	1,100	1,520	Buy	66.1	(10.7)	46.7	13.4x	3.3x	26.9	2.6	33.6	(1.9)	0.3
TBIG	2,100	2,300	3,240	Buy	54.3	(26.8)	47.6	27.2x	3.8x	15.6	1.7	7.9	8.1	0.6
WIKA	525	800	1,280	Buy	143.8	(47.5)	4.7	N/A	0.4x	(0.1)	N/A	9.8	N/A	1.2
PTPP	580	715	1,700	Buy	193.1	(42.0)	3.6	13.1x	0.3x	2.5	N/A	12.9	2.3	1.2

Source : Bloomberg, NHKS 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
Property & Real Estate							236.2							
CTRA	945	940	1,500	Buy	58.7	(9.6)	17.5	7.8x	1.0x	13.0	1.5	8.7	49.1	0.9
PWON	426	456	690	Buy	62.0	(13.1)	20.5	11.1x	1.2x	11.4	0.9	18.7	65.0	1.1
Energy							1,291.4							
PGAS	1,390	1,760	1,770	Buy	27.3	0.7	33.7	6.6x	0.8x	12.7	9.0	17.2	8.5	1.0
PTBA	3,880	3,690	4,900	Buy	26.3	21.6	44.7	3.5x	1.6x	47.6	17.7	45.8	55.8	1.0
ADRO	2,780	3,850	3,900	Buy	40.3	2.2	88.9	2.3x	0.9x	49.1	14.0	102.9	174.4	1.2
Industrial							423.9							
UNTR	28,450	26,075	32,000	Overweight	12.5	11.9	106.1	5.0x	1.2x	27.4	6.1	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.							859.3							
SMGR	6,100	6,575	9,500	Buy	55.7	(8.0)	41.2	15.4x	1.0x	5.8	2.8	(0.9)	15.4	0.9
INTP	10,000	9,900	12,700	Buy	27.0	(8.9)	36.8	23.2x	1.8x	7.6	5.0	9.9	(17.5)	0.8
INCO	6,350	7,100	8,200	Buy	29.1	9.5	63.1	20.5x	1.7x	8.9	N/A	23.7	21.0	1.2
ANTM	1,895	1,985	3,450	Buy	82.1	(20.7)	45.5	16.4x	2.0x	12.9	2.0	27.2	53.6	1.4

Source : Bloomberg, NHKSI Research

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