

Weekly Brief (Apr. 10 – 14, 2023)

Summary:

Last week review:

Signs of a recession have indeed emerged more clearly, at least in last week's US economic data, starting with the ISM Manufacturing PMI & Prices (Mar.) which contracted, followed by Factory Orders whose growth was still weaker than expected. Similarly, the ISM Non-Manufacturing PMI & Employment (Mar.) report, which clearly contracted from the previous period, also came in lower than expected. The characteristics of a slowing US economy were also evident from the report on the employment sector, when the JOLTs Job Openings figure dropped to 9.931mn, below the forecast of 10.4mn. The hourly wage rate (Mar.) was observed to grow lower at 4.2% yoy (below forecast 4.3% & previous 4.6%). As a result, during last month Nonfarm Payrolls (Mar.) successfully fell to 236k (from previous 326k). Throughout last week, Initial Jobless Claims actually recorded an increase to 228k from a forecast of 200k (although still lower than the previous week at 246k). However, the Unemployment Rate (Mar.) actually fell slightly from the previous month at 3.5%. The US is not the only country grappling with economic slowdown; Japan & China are struggling to keep their economies expansionary, while Germany, Eurozone, and the UK are still unable to bring their Manufacturing PMIs out of the contraction area, aka still below the benchmark level of 50. Considering the series of soft landing signs above, market participants are currently divided on the Fed Fund Rate hike calculation; where half expect a 25bps rate hike at the upcoming FOMC Meeting in May, while the other half is betting that there will be no hike. On the other hand, Fed officials still maintain a hawkish tone, especially when the potential for rising oil prices due to OPEC production cuts and declining US oil reserves add to concerns about the lingering inflationary pressures. Domestically, Indonesia's economic outlook seems more promising as Inflation (Mar.) fell to 4.97% YoY from 5.47% the previous month; Core Inflation also tamed to below 3% (on track with the central bank's expectation) at 2.94% YoY, successfully lower than forecast and previous period. Asian Development Bank also expects Indonesia's economy to grow 4.8% this year, and increase to 5% in 2024. The Rupiah exchange rate has been in the spotlight recently as it reached its strongest level in 2 months at a low of IDR 14,880/USD. This is due to the support of foreign net purchases in the past week amounting to IDR 2.46 trillion, increasing the coffers of Foreign Net Buy YTD to IDR 8.72 trillion.

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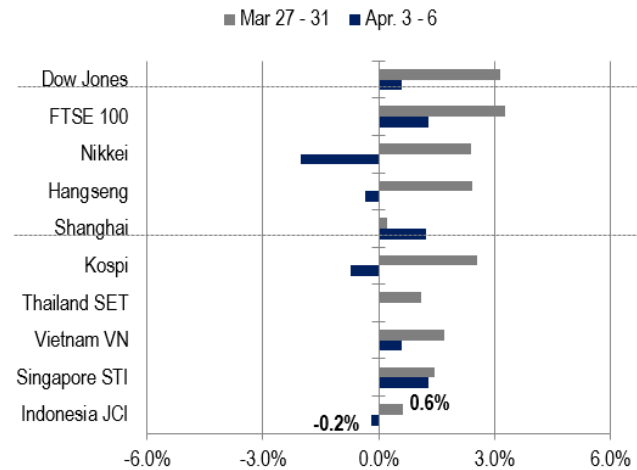
This week's outlook:

This week, US Inflation (Mar.) data will be closely monitored on Wednesday with forecasts that it could ease further from 6% (Feb.) to 5.2% YoY. On the same day, the Federal Reserve will release its March meeting minutes which will give an idea of where their monetary policy is heading. Given the recent turmoil in the banking sector, investors are expecting a rate cut by the end of this year, but the Fed has said that they will keep rates high as long as necessary. Quarterly performance reports from US banking companies will also be monitored to determine their health; just in time for the Spring meeting of the World Bank & IMF which will gather central bank officials & finance ministers in Washington this Monday. The IMF will announce its latest global economic growth forecast on Tuesday, amid lingering threats of inflation & financial sector instability. Following on Wednesday, finance ministers from the G20 countries will gather. From Indonesia, no economic data to look forward to this week other than : Foreign Exchange Reserves (Mar.), Consumer Confidence Index (Mar.), and Retail Sales yoy. Overseas sentiment will definitely play a bigger role including from Asia: China Inflation & Trade Balance data (Mar.); from Europe: Eurozone Retail Sales (Feb.), UK GDP (Feb.), German Inflation (Mar.); and from the US: US Initial Jobless Claims & PPI (Mar.) which will be released on the same day next Thursday, capped by US Retail Sales (Mar.) & Michigan Consumer Sentiment & Expectation (Apr.) on Friday.

JCI Index : 6,792.77 (-0.2%)
Foreign Flow : Net Buy of IDR 2.7 Trillion (Vs. last week's net buy of IDR 3.0 Trillion)
USD/IDR : 14,013 (-0.55%)

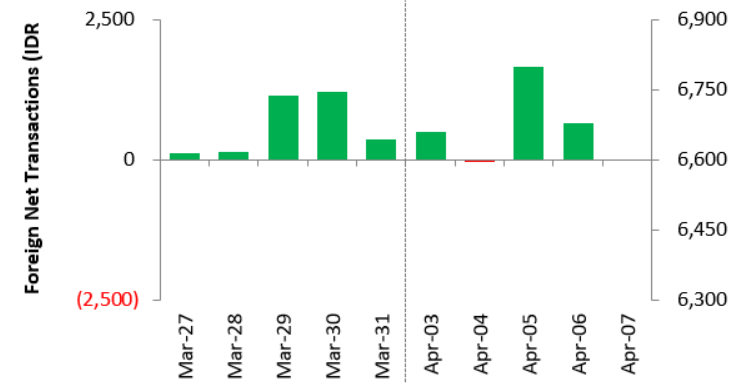
Last Week's JCI Movement

Global Market Movement



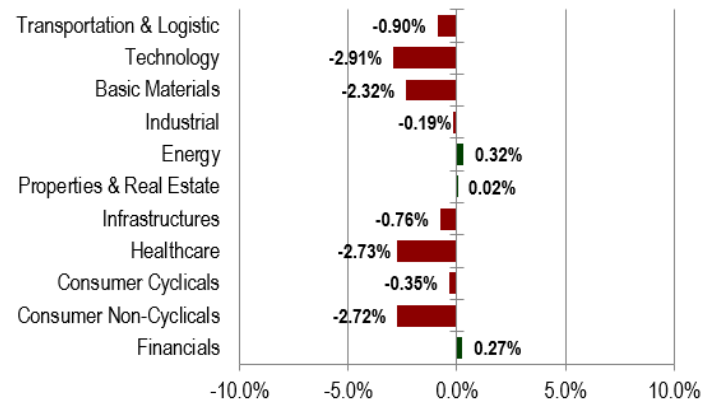
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



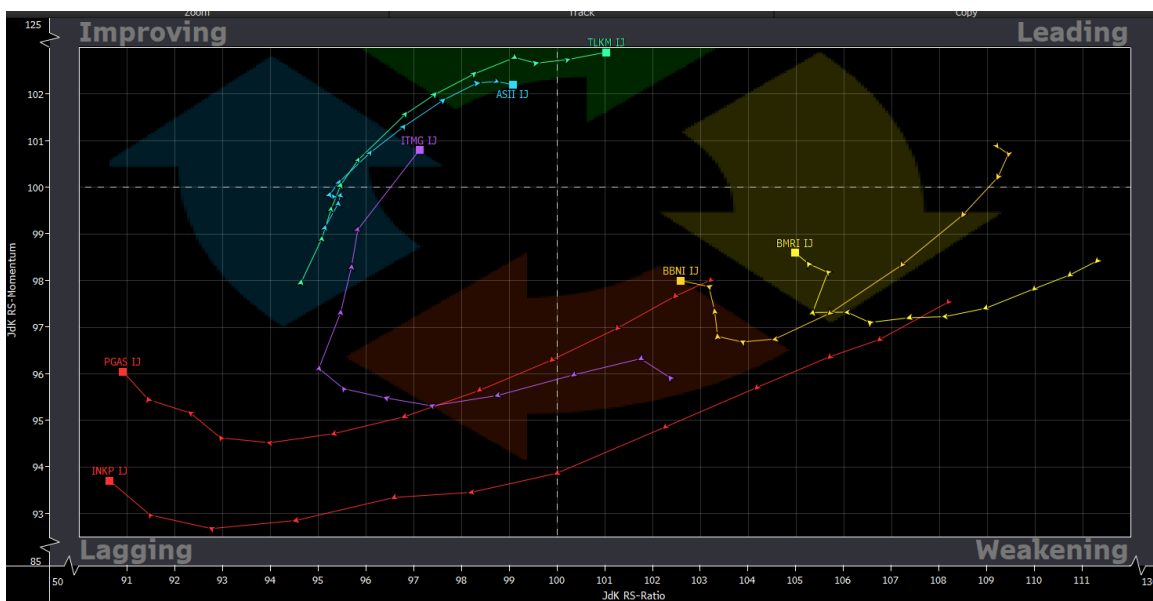
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
BBRI	918,654	GOTO	240,202
TLKM	455,342	ASII	175,236
BBCA	397,418	UNTR	161,585
BBNI	289,836	ITMG	98,081
ANTM	245,272	MAPI	40,830

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
BBNI	9700-9750 / 9950-10000	9200
PGAS	1420 / 1500 / 1510 -1520	1315
ASII	6150 / 6275 / 6600 -6700	5850
ITMG	42350 / 43825 / 45600	39800
TLKM	4325 / 4500	4075
INKP	8000-8100 / 8600-8700	7200
BMRI	5300 / 5450-5500 / 5700	5100

Source: Bloomberg, NHKSI Research

JCI Index

Support	6785-6745 / 6600-6550	Resistance	6800-6820 / 6850-6870 / 6900 / 6955-6965 / 7000
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Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
Monday	ID	10:00	Foreign Reserves	Mar	—	\$140.30B
10– Apr.	JP	06:50	BoP Current Account Balance	Feb	¥ 2,378.2B	-¥1,976.6B
Tuesday	CH	08:30	CPI YoY	Mar	1.1%	1.0%
11– Apr.	CH	08:30	PPI YoY	Mar	-2.5%	-1.4%
	ID	11:00	Consumer Confidence Index	Mar	—	122.4
Wednesday	US	19:30	CPI YoY	Mar	5.2%	6.0%
12– Apr.	CH	—	Trade Balance	Mar	\$42.00B	\$78.01B
Thursday	US	01:00	Monthly Budget Statement	Mar	—	-\$192.6B
13– Apr.	US	01:00	FOMC Meeting Minutes	Mar 22	—	—
	US	19:30	Initial Jobless Claims	Apr 8	—	—
	US	19:30	Continuing Claims	Apr 1	—	—
	US	19:30	PPI Final Demand MoM	Mar	—	—
Friday	US	19:30	Retail Sales Advance MoM	Mar	-0.4%	-0.4%
14– Apr.	US	19:30	Industrial Production MoM	Mar	0.3%	0.0%
	US	21:00	U. of Mich. Sentiment	Apr P	64.0	62.0

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	BELL, BNGA, IFSH, TRIS
10– Apr.	Cum Dividend	ITMG, SDRA, WOMF
Tuesday	RUPS	ADHI, AUTO, JASS, NISP, TBMS
11– Apr.	Cum Dividend	BDMN, BNII
Wednesday	RUPS	BJTM, BTPS, KEJU, MDKA, MKTR, PTPP, TMAS, UNTR
12– Apr.	Cum Dividend	AALI
Thursday	RUPS	AVIA, BTPN, PRDA, RUNS
13– Apr.	Cum Dividend	ADMF, BJBR
Friday	RUPS	ABDA, DCII, GOOD, HMSP, MMIX, MTEL, NZIA, RBMS
14– Apr.	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							3,436.5							
BBCA	8,750	8,550	9,750	Overweight	11.4	11.5	1,078.7	26.5x	4.9x	19.2	2.3	8.9	29.4	0.9
BBRI	4,840	4,940	5,800	Buy	19.8	5.0	733.5	14.3x	2.4x	17.4	6.0	6.6	31.9	1.1
BBNI	9,375	9,225	11,800	Buy	25.9	11.3	174.8	9.5x	1.3x	14.1	4.2	8.7	67.8	1.3
BMRI	5,175	4,963	11,550	Buy	123.2	34.4	483.0	11.7x	2.1x	19.0	5.1	12.7	46.8	1.3
Consumer Non-Cyclicals							1,161.6							
ICBP	10,075	10,000	12,000	Buy	19.1	35.2	117.5	25.6x	3.2x	13.0	2.1	14.1	(28.4)	0.5
UNVR	4,250	4,700	4,850	Overweight	14.1	20.1	162.1	30.2x	40.6x	129.0	3.6	4.2	(6.6)	0.5
MYOR	2,560	2,500	2,900	Overweight	13.3	47.6	57.2	29.4x	4.5x	16.4	0.8	9.9	64.2	0.7
HMSP	1,035	840	950	Underweight	(8.2)	13.7	120.4	19.2x	4.3x	22.0	6.1	12.5	(11.5)	0.6
CPIN	4,420	5,650	6,600	Buy	49.3	(19.6)	72.5	24.7x	2.8x	11.4	2.4	10.0	(19.0)	0.6
JPFA	1,105	1,295	1,300	Buy	17.6	(33.0)	13.0	9.0x	1.0x	11.4	5.4	9.1	(29.8)	0.8
AALI	8,225	8,025	9,200	Overweight	11.9	(35.5)	15.8	9.2x	0.7x	8.2	5.4	(10.3)	(12.4)	1.0
Consumer Cyclicals							355.8							
ERAA	545	392	500	Underweight	(8.3)	-	8.7	8.5x	1.3x	15.7	4.2	13.8	(0.2)	0.8
MAPI	1,415	1,445	1,700	Buy	20.1	67.5	23.5	11.1x	2.9x	30.1	N/A	46.2	412.0	0.9
Healthcare							289.1							
KLBF	2,050	2,090	2,300	Overweight	12.2	29.7	96.1	28.3x	4.7x	16.9	1.7	10.2	7.1	0.4
SIDO	830	755	950	Overweight	14.5	(11.2)	24.9	22.5x	7.1x	31.7	4.4	(3.9)	(12.9)	0.6
MIKA	2,790	3,190	3,000	Overweight	7.5	16.3	39.7	38.6x	7.5x	21.2	1.3	(9.8)	(16.1)	0.2
Infrastructure							872.14							
TLKM	4,250	3,750	4,940	Buy	16.2	(7.2)	421.0	20.3x	3.3x	16.5	3.5	2.9	(16.2)	0.8
JSMR	3,380	2,980	5,100	Buy	50.9	(8.9)	24.5	9.0x	1.1x	12.9	N/A	9.3	70.1	0.8
EXCL	1,960	2,140	3,800	Buy	93.9	(27.1)	25.7	18.9x	1.0x	4.9	2.6	8.9	(13.2)	0.8
TOWR	920	1,100	1,520	Buy	65.2	(11.5)	46.9	13.3x	3.2x	26.0	2.6	27.8	0.2	0.3
TBIG	2,090	2,300	3,240	Buy	55.0	(29.6)	47.4	28.2x	4.5x	16.7	1.7	5.6	2.4	0.6
WIKA	488	800	1,280	Buy	162.3	(49.4)	4.4	N/A	0.3x	(0.5)	N/A	20.6	N/A	1.2
PTPP	565	715	1,700	Buy	200.9	(41.1)	3.5	12.7x	0.3x	2.5	N/A	12.9	2.3	1.1

Source : Bloomberg, NH KSI Research

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	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							243.4							
CTRA	980	940	1,500	Buy	53.1	(1.0)	18.2	9.0x	1.0x	13.0	1.4	8.7	49.1	1.0
PWON	472	456	690	Buy	46.2	(4.8)	22.7	14.8x	1.3x	9.2	0.8	4.8	11.3	1.1
Energy							1,374.5							
PGAS	1,365	1,760	1,770	Buy	29.7	(2.2)	33.1	6.7x	0.8x	12.7	9.1	17.2	8.5	1.0
PTBA	4,030	3,690	4,900	Buy	21.6	11.9	46.4	3.7x	1.6x	47.6	17.1	45.8	55.8	1.0
ADRO	3,020	3,850	3,900	Buy	29.1	(4.4)	96.6	2.5x	1.0x	49.1	12.9	102.9	174.4	1.2
Industrial							434.8							
UNTR	29,800	26,075	32,000	Overweight	7.4	4.2	111.2	5.3x	1.3x	27.4	5.8	55.6	106.1	0.8
ASII	5,925	5,700	8,000	Buy	35.0	(15.4)	239.9	8.3x	1.2x	15.9	4.8	29.1	43.3	1.1
Basic Ind.							881.7							
SMGR	6,025	6,575	9,500	Buy	57.7	(9.5)	40.7	15.2x	1.0x	5.8	2.9	(0.9)	15.4	0.9
INTP	9,900	9,900	12,700	Buy	28.3	(5.3)	36.4	18.5x	1.7x	9.2	5.1	10.5	8.8	0.8
INCO	6,400	7,100	8,200	Buy	28.1	(15.5)	63.6	21.3x	1.8x	8.9	N/A	23.7	21.0	1.2
ANTM	2,100	1,985	3,450	Buy	64.3	(25.0)	50.5	13.2x	2.1x	17.2	1.8	19.5	105.2	1.4

Source : Bloomberg, NH KSI Research

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