

Morning Brief

Daily | May. 12, 2023

JCI Movement



Today's Outlook:

The Dow Jones closed with a downside of 0.7%/221 points on Thursday (11/05/23), driven by a dive in Disney and ongoing turmoil in regional banks after PacWest Bancorp reported that deposits fell 9.5% last week. However, the Nasdaq was rescued by Alphabet's AI product update. Tech stocks were also supported by government bond yields, which continued to slide down as predictions that the Fed will soon stop the upward trend of US interest rates as data emerged that Inflation managed to flatten and jobless claims rose. The US PPI (Apr.) rose 0.2% MoM, lower than the 0.3% economists had expected, and slowed to 3.2% YoY from 3.4% in the previous month. Weekly Initial Jobless Claims increased by 22k to 264k for the week ended May 6, the highest claims in 1.5 years. This pattern of jobless claims suggests growth in labor wages and a slowdown in labor demand.

From Asia, China reported Inflation (Apr.) which is still slipping further now at 0.1% YoY (from 0.7% previous month), and even deflation on month basis -0.1% (vs 0.0% forecast). Their producer-level inflation or PPI also dropped more than expected at minus 3.6%, a worse deflation than both forecast and previous period. While from Europe, the Bank of England solidified their interest rate upward trend with another 25bps hike, bringing the UK benchmark interest rate to 4.5%. Later in the day, 1Q23 GDP and Manufacturing Production (Mar.) figures from the UK will be monitored.

The looming recession threat in the US along with China's weak economy has created a rather gloomy market sentiment that impacted the Indonesian capital market on Thursday, sending the JCI plummeting 55.97points / -0.82% to 6755.95 level; the most definitive drop in over a month. It seems that this Closing position further casts doubt that the short term uptrend of JCI can be sustained as it never managed to put JCI back above the Moving Average Resistance; or above 6830-6850 to be safe. Therefore, at the end of this week **NH KSI RESEARCH still recommends to maintain a Wait & See stance, and be prepared if further position reduction is needed.**

Company News

PPRE : 1Q23 Profit Surges 97%
ADRO : Distribute USD 1 Billion Dividend
TOTL : Pursuing New Contracts of IDR2.6 Trillion

Domestic & Global News

Indonesia Will Have the World's Largest Petrochemical Plant
Oil Falls 2% On Weak US and Chinese Economic Data

Sectors

	Last	Chg.	%
Basic Material	1089.45	-22.89	-2.06%
Energy	1933.02	-39.34	-1.99%
Technology	4993.75	-44.52	-0.88%
Consumer Non-Cyclicals	732.64	-5.65	-0.77%
Industrial	1167.41	-5.08	-0.43%
Finance	1376.18	-5.65	-0.41%
Infrastructure	826.26	-3.38	-0.41%
Healthcare	1466.05	-3.10	-0.21%
Transportation & Logistic	1861.44	4.57	0.25%
Property	730.84	2.65	0.36%
Consumer Cyclicals	845.83	7.68	0.92%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.75%	Real GDP	5.03%	5.01%
FX Reserve (USD bn)	144.20	145.20	Current Acc (USD bn)	4.54	4.02
Trd Balance (USD bn)	2.91	5.48	Govt. Spending Yoy	-4.77%	-2.88%
Exports Yoy	-11.33%	4.51%	FDI (USD bn)	5.27	5.14
Imports Yoy	-6.26%	-4.32%	Business Confidence	104.82	105.33
Inflation Yoy	4.33%	4.97%	Cons. Confidence*	126.10	123.30

JCI Index

May 11	6,755.94
Chg.	55.97 pts (-0.82%)
Volume (bn shares)	19.30
Value (IDR tn)	10.71
Up 176 Down 317 Unchanged 186	

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BBCA	724.4	TLKM	302.8
GOTO	662.3	RAAM	277.1
ADRO	593.0	ASII	247.2
BBRI	439.8	HILL	186.9
BMRI	321.9	BBNI	175.9

Foreign Transaction

(IDR bn)

Buy			1,485
Sell			2,166
Net Buy (Sell)			(680)
Top Buy	NB Val.	Top Sell	NS Val.
BBRI	29.7	BBCA	103.7
EXCL	17.6	GOTO	60.2
HILL	15.1	ADRO	44.7
ARTO	13.7	TLKM	26.4
GGRM	7.2	BBNI	24.5

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.40%	-0.08%
USDIDR	14,724	-0.01%
KRWIDR	11.10	-0.15%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,309.51	(221.82)	-0.66%
S&P 500	4,130.62	(7.02)	-0.17%
FTSE 100	7,730.58	(10.75)	-0.14%
DAX	15,834.91	(61.32)	-0.39%
Nikkei	29,126.72	4.54	0.02%
Hang Seng	19,743.79	(18.41)	-0.09%
Shanghai	3,309.55	(9.60)	-0.29%
Kospi	2,491.00	(5.51)	-0.22%
EIDO	23.80	(0.43)	-1.77%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,015.1	(15.0)	-0.74%
Crude Oil (\$/bbl)	70.87	(1.69)	-2.33%
Coal (\$/ton)	163.00	(3.95)	-2.37%
Nickel LME (\$/MT)	21,780	(751.0)	-3.33%
Tin LME (\$/MT)	25,308	(538.0)	-2.08%
CPO (MYR/Ton)	3,603	(106.0)	-2.86%

PPRE : 1Q23 Profit Surges 97%

PT PP Presisi Tbk (PPRE) recorded a 1Q23 net profit growth of 97.28% YoY to IDR 25.39 billion. PPRE's revenue was recorded at IDR 790.69 billion, down 4.71% YoY. The decline in revenue was mainly due to a correction in the ready mix business segment to IDR12.37 billion. The construction segment fell slightly by 0.42% and the rental segment also corrected by 2.63%. (Kontan)

ADRO : Distribute USD 1 Billion Dividend

PT Adaro Energy Indonesia Tbk (ADRO) will distribute dividends of up to USD 1 billion with a dividend payout ratio of 40.11%. This includes the interim dividend that was distributed in January 2023 worth USD 500 million. Thus, the final dividend amounted to USD 500 million. With 31.98 billion shares outstanding and assuming an exchange rate of IDR14,700/USD (exchange rate at the time of the AGM), the dividend is IDR229.8/share. (Kontan)

TOTL : Pursuing New Contracts of IDR2.6 Trillion

PT Total Bangun Persada Tbk (TOTL) recorded contract revenue in 2022, obtained from various projects. The company said the acquisition of contracts worth IDR2 trillion was obtained from school building projects, hotels, shopping centers, mixed use, to industrial offices. This year the company is targeting new contracts to grow 30% from the 2022 target or IDR2.6 trillion. As of February 2023 itself, TOTL has won a new contract of IDR65 billion. (Kontan)

Domestic & Global News

Indonesia Will Have the World's Largest Petrochemical Plant

Indonesia will soon have the world's largest petrochemical plant in the North Kalimantan Green Industrial Zone. This was revealed by the Coordinating Minister for Maritime Affairs and Investment Luhut Binsar Pandjaitan. If this petrochemical plant is built, then Indonesia will no longer need to import petrochemicals. As is known, Indonesia will have a giant project with an estimated jumbo investment value of USD 132 billion or around IDR 2,000 trillion (assuming an exchange rate of IDR 15,000 per USD). This giant project is in the form of a Green Industrial Zone in Bulungan Regency, North Kalimantan (Kaltara) which is adjacent to the New National Capital City (IKN) in Panajam Paser, East Kalimantan. It was stated that this project is only 185 km from IKN Nusantara. (CNBC Indonesia)

Oil Falls 2% On Weak US and Chinese Economic Data

Oil prices fell about 2% to a one-week low on Thursday as a political standoff over the U.S. debt ceiling stoked recession jitters in the world's biggest oil consumer, while rising U.S. jobless claims and weak Chinese economic data weighed. Brent crude futures fell USD 1.43, or 1.9%, to settle at USD 74.98 a barrel, while West Texas Intermediate crude (WTI) fell USD 1.69, or 2.3%, to settle at USD 70.87. Those were the lowest closes for both benchmarks since May 4. The dollar data strengthened the case for the Federal Reserve to halt interest rate hikes but did not prompt expectations of year-end rate cuts. A stronger greenback makes oil more expensive in other countries. Higher interest rates can weigh on oil demand by boosting borrowing costs, pressuring economic growth. (Reuters)

	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							3,479.5							
BBCA	8,825	8,550	9,750	Overweight	10.5	15.4	1,087.9	24.6x	5.1x	21.8	2.3	22.1	44.6	0.9
BBRI	5,150	4,940	5,800	Overweight	12.6	14.7	780.5	14.3x	2.8x	19.8	5.6	10.3	28.8	1.1
BBNI	9,150	9,225	11,800	Buy	29.0	4.3	170.6	8.7x	1.2x	14.7	4.3	12.5	31.6	1.3
BMRI	5,100	4,963	11,550	Buy	126.5	27.5	476.0	10.9x	2.2x	21.2	5.2	16.0	25.1	1.2
Consumer Non-Cyclicals							1,200.9							
ICBP	10,975	10,000	12,000	Overweight	9.3	32.2	128.0	19.4x	3.2x	17.3	2.0	11.4	104.2	0.5
UNVR	4,430	4,700	4,850	Overweight	9.5	(9.2)	169.0	35.5x	31.6x	81.0	3.5	(2.2)	(30.2)	0.5
MYOR	2,760	2,500	2,900	Overweight	5.1	49.6	61.7	26.0x	4.6x	19.1	0.8	11.4	135.7	0.7
CPIN	4,690	5,650	6,600	Buy	40.7	(7.6)	76.9	38.8x	2.9x	7.5	2.3	1.9	(79.5)	0.6
JPFA	1,090	1,295	1,300	Buy	19.3	(23.2)	12.8	22.4x	1.0x	4.5	4.6	(3.2)	N/A	0.8
AALI	7,625	8,025	9,200	Buy	20.7	(37.8)	14.7	10.0x	0.7x	6.8	5.3	(27.7)	(53.5)	1.0
Consumer Cyclicals							367.8							
ERAA	488	392	500	Hold	2.5	(4.3)	7.8	8.1x	1.1x	14.2	4.7	28.9	(21.1)	0.8
MAPI	1,670	1,445	1,700	Hold	1.8	80.5	27.7	13.8x	3.3x	27.1	N/A	32.5	(30.6)	0.9
Healthcare							284.3							
KLBF	2,130	2,090	2,300	Overweight	8.0	30.3	99.8	29.0x	4.6x	16.4	1.6	12.2	3.1	0.4
SIDO	775	755	1,000	Buy	29.0	(15.8)	23.3	20.9x	7.5x	35.8	4.7	3.0	1.8	0.6
MIKA	2,480	3,190	3,000	Buy	21.0	(1.2)	35.3	35.7x	6.1x	17.9	1.5	(6.0)	(14.5)	0.3
Infrastructure							878.81							
TLKM	4,090	3,750	4,940	Buy	20.8	(5.5)	405.2	19.2x	3.0x	16.0	3.7	2.5	5.0	0.8
JSMR	3,480	2,980	5,100	Buy	46.6	(9.8)	25.3	8.9x	1.1x	13.2	N/A	21.2	34.3	0.8
EXCL	1,955	2,140	3,800	Buy	94.4	(34.6)	25.7	18.3x	1.0x	5.1	2.6	11.9	23.1	0.8
TOWR	1,010	1,100	1,300	Buy	28.7	(0.5)	51.5	15.1x	3.3x	23.8	2.4	9.4	(11.8)	0.3
TBIG	2,070	2,300	2,390	Buy	15.5	(32.4)	46.9	30.0x	4.0x	14.5	1.7	(1.4)	(25.6)	0.6
WIKA	472	800	1,280	Buy	171.2	(49.0)	4.2	N/A	0.3x	(4.6)	N/A	37.4	N/A	1.3
PTPP	560	715	1,700	Buy	203.6	(37.4)	3.5	12.3x	0.3x	2.5	N/A	1.9	20.0	1.2
Property & Real Estate							254.6							
CTRA	1,110	940	1,500	Buy	35.1	11.6	20.6	11.1x	1.1x	10.2	1.3	(4.6)	(4.3)	0.9
PWON	488	456	690	Buy	41.4	(11.3)	23.5	13.3x	1.3x	10.3	0.8	5.9	60.5	1.1
Energy							1,303.8							
PGAS	1,420	1,760	1,770	Buy	24.6	(6.6)	34.4	7.7x	0.9x	10.9	8.8	11.6	(20.0)	1.0
PTBA	3,440	3,690	4,900	Buy	42.4	(7.3)	39.6	3.4x	1.3x	41.1	20.0	21.4	(48.9)	1.0
ADRO	2,800	3,850	3,900	Buy	39.3	(11.1)	89.6	2.3x	0.9x	46.2	13.9	50.1	15.3	1.2
Industrial							436.8							
UNTR	24,825	26,075	32,000	Buy	28.9	(17.9)	92.6	4.1x	1.0x	27.2	28.2	24.7	26.6	0.9
ASII	6,250	5,700	8,000	Buy	28.0	(9.4)	253.0	8.2x	1.3x	16.3	10.2	15.5	27.2	1.1
Basic Ind.							1,021.1							
SMGR	5,875	6,575	9,500	Buy	61.7	(9.0)	39.7	14.9x	0.9x	6.1	4.2	4.5	(2.1)	0.9
INTP	10,225	9,900	12,700	Buy	24.2	(2.6)	37.6	17.3x	1.8x	10.0	4.9	19.3	109.0	0.9
INCO	6,900	7,100	8,200	Buy	18.8	1.8	68.6	20.2x	1.9x	9.9	N/A	54.5	45.6	1.2
ANTM	2,040	1,985	3,450	Buy	69.1	(15.0)	49.0	12.2x	1.9x	16.9	1.9	18.9	13.5	1.4

* Target Price

Source: Bloomberg, NHKS Research

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	US	21:00	Wholesale Inventories MoM	Mar F	0.0%	0.1%	0.1%
8– Mei.	ID	10:00	Foreign Reserves	Apr	\$144.20Bn	—	\$145.20Bn
Tuesday	CH	—	Trade Balance	Apr	\$71.25Bn	\$90.21Bn	\$88.19Bn
9– Mei.	ID	—	Consumer Confidence Index	Apr	126.1	—	123.3
Wednesday	US	19:30	CPI MoM	Apr	0.4%	0.4%	0.1%
10– Mei.	US	19:30	CPI YoY	Apr	4.9%	5.0%	5.0%
Thursday	US	19:30	PPI Final Demand MoM	Apr	0.2%	0.3%	-0.5%
11– Mei.	US	19:30	Initial Jobless Claims	May 6	264K	245K	242K
	CH	08:30	CPI YoY	Apr	0.1%	0.3%	0.7%
	CH	08:30	PPI YoY	Apr	-3.6%	-3.3%	-2.5%
Friday	US	21:00	U. of Mich. Sentiment	May P		63.0	63.5
12– Mei.	FR	13:45	CPI YoY	Apr F		—	5.9%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	MLPL, PLIN, POWR, SMBR, SSMS
8– Mei.	Cum Dividend	BYAN
Tuesday	RUPS	PGJO, SFAN, SOSS, TMPO, WTON
9– Mei.	Cum Dividend	AKRA, TUGU
Wednesday	RUPS	ABMM, ADMR, AGRO, CMNP, ESTA, HAIS, JSMR, MERK, MYOH, TCID, TOTL, WEGE
10– Mei.	Cum Dividend	EPMT, LUCY, SMSM
Thursday	RUPS	ADRO, DNAR, PZZA
11– Mei.	Cum Dividend	KLBF, NICL, TLDN
Friday	RUPS	BUDI, SMCB, TBLA
12– Mei.	Cum Dividend	—

Source: Bloomberg



IHSG projection for 12 May 2023 :

KONSOLIDASI – Uji Resistance ketiga MA (10,20,50).

Support : 6740-6720 / 6650-6620 / 6550.

Resistance : 6800-6830 / 6950-6960 / 7000-7040 / 7100
-7130.

ADVISE : Hold ; Wait & See.

TKIM—PT Pabrik Kertas Tjiwi Kimia TBK



PREDICTION 12 May 2023

Overview

Rebound dari Support lower channel jk.panjang.
RSI positive divergence.

Advise

Speculative Buy.

Entry Level : 5875-5800

Average Up >5950-6000.

Target: 6150-6300 / 6550-6600 / 6850-7000 .

Stoploss: 5700.

PGAS—PT Pertamina Gas Negara TBK



PREDICTION 12 May 2023

Overview

Pattern : Parallel Channel (slightly) Uptrend – Bottoming
phase.

Uji Resistance MA50 sambil pertahankan Support MA10
& MA20.

Advise

Speculative Buy.

Entry Level: 1420

Average Up >1445

Target : 1470 / 1520 / 1565-1600.

Stoploss: 1390.

ASII—PT Astra International TBK



PREDICTION 12 May 2023

Overview

Uji Support lower channel (Uptrend).

Advise

Buy on Weakness.

Entry Level: 6250-6150

Average Up >6325.

Target: 6450-6550 / 6800-6900 / 7000..

Stoploss: 5975.

AKRA—PT AKR Corporindo TBK



PREDICTION 12 May 2023

Overview

Uji Support mid-term.

Advise

Buy on Weakness.

Entry Level: 1385-1360.

Average Up >1420

Target: 1455-1465 / 1480 / 1520-1550 / 1650-1670.

Stoploss: 1345.

INTP—PT Indocement Tungal Prakarsa TBK



PREDICTION 12 May 2023

Overview

Uji Support jk.pendek

Advise

Buy on Break.

Entry Level: 10250-10300

Average Up >10450-10575.

Target: 10850-10900 / 11500-11700.

Stoploss: 9775.

Research Division

Head of Research

Liza Camelia Suryanata

Equity Strategy, Macroeconomics,
Technical

T +62 21 5088 ext 9134

E liza.camelia@nhsec.co.id

Analyst

Cindy Alicia Ramadhania

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Analyst

Leonardo Lijuwardi

Banking, Infrastructure

T +62 21 5088 ext 9127

E leonardol.lijuwardi@nhsec.co.id

Research Support

Amalia Huda Nurfalah

Editor & Translator

T +62 21 5088 ext 9132

E amalia.huda@nhsec.co.id

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

JAKARTA (HEADQUARTER)

Treasury Tower 51th Floor, District 8, SCBD Lot 28,
Jl. Jend. Sudirman No.Kav 52-53, RT.5/RW.3,
Senayan, Kebayoran Baru, South Jakarta City, Jakarta 12190
No. Telp : +62 21 5088 9102

BANDENGAN (Jakarta Utara)

Jl. Bandengan Utara Kav. 81 Blok A No. 01, Lt. 1
Kel. Penjaringan, Kec. Penjaringan
Jakarta Utara – DKI Jakarta 14440
No. Telp : +62 21 66674959

BANDUNG

Paskal Hypersquare blok A1
Jl. Pasirkaliki no 25-27 Bandung 40181
No. Telp : +62 22 860 22122

BALI

Jl. Cok Agung Tresna
Ruko Griya Alamanda no. 9 Renon
Denpasar, Bali 80226
No. Telp : +62 361 209 4230

ITC BSD (Tangerang Selatan)

BSD Serpong: ITC BSD Blok R No. 48
Jalan Pahlawan Seribu, Lekong Wetan,
Kec. Serpong, Kel. Serpong
Tangerang Selatan – Banten 15311
No. Telp : +62 21 509 20230

KAMAL MUARA (Jakarta Utara)

Rukan Exclusive Mediterania Blok F No.2,
Kel. Kamal Muara, Kec. Penjaringan,
Jakarta Utara 14470
No. Telp : +62 21 5089 7480

MAKASSAR

Jl. Gunung Latimojong No. 120A
Kec. Makassar Kel. Lariang Bangi
Makassar, Sulawesi Selatan
No. Telp : +62 411 360 4650

MEDAN

Jl. Asia No. 548 S
Medan – Sumatera Utara 20214
No. Telp : +62 61 415 6500

PEKANBARU

Sudirman City Square
Jl. Jend. Sudirman Blok A No. 7
Pekanbaru, Riau
No. Telp : +62 761 801 1330

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