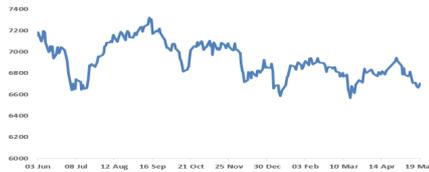


Morning Brief

Daily | May. 22, 2023

JCI Movement



Today's Outlook:

The US stock market closed in negative territory on Friday (19/05/23) due to the deadlock in talks over a solution to the US debt ceiling; however, the S&P500 posted its best performance since March. Meanwhile, recent progress in this matter has started to become more noticeable after President Joe Biden and Republican Kevin McCarthy pledged to meet as soon as Biden returns from the G7 Summit to reach an agreement which could bring some relief to the overall financial market sentiment.

Japan's Core Machinery Orders for March unexpectedly fell below expectations, -3.5% YoY, a quite poor result compared to the forecast of 1.4% and the previous month's positive high of 9.8%. Later in the week, China's central bank will announce their benchmark interest rate which is likely to remain unchanged at 3.65%. Then, later today, data from the Eurozone will be released: Construction Output (Mar.) and Consumer Confidence (May); and financial market participants will monitor comments from top Federal Reserve officials on the future direction of monetary policy.

Considering the current market sentiment, **NHCSI RESEARCH estimates that JCI has little bullish sentiment** to continue last Friday's gains at least to the nearest resistance level: MA10 around 6730-6740. However, **Indonesian investors/traders are advised not to average up too much as the situation is still highly speculative.**

Company News

ICBP : Fitch Affirms 'BBB-' for Stable Outlook

INAF : Increase Product Availability

WMUU : Posted a Loss Throughout 1Q23

Domestic & Global News

Another European Tackle, Affects Indonesia's Palm & Coffee Industry

Biden and McCarthy to Meet on Monday as Debt Ceiling Talks Resume

Sectors

	Last	Chg.	%
Finance	1375.34	15.51	1.14%
Property	724.41	6.96	0.97%
Technology	4848.81	42.56	0.89%
Industrial	1167.13	4.09	0.35%
Consumer Cyclical	847.38	2.24	0.26%
Infrastructure	820.06	2.04	0.25%
Healthcare	1496.97	-1.79	-0.12%
Consumer Non-Cyclicals	736.45	-1.41	-0.19%
Transportation & Logistic	1793.68	-21.09	-1.16%
Basic Material	1035.28	-22.52	-2.13%
Energy	1810.78	-50.35	-2.71%

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)	3.94	2.91	Govt. Spending Yoy	3.99%	-4.77%
Exports Yoy	-29.40%	-11.33%	FDI (USD bn)	5.27	5.14
Imports Yoy	-22.32%	-6.26%	Business Confidence	104.82	105.33
Inflation Yoy	4.33%	4.97%	Cons. Confidence*	126.10	123.30

JCI Index

May 19	6,700.56
Chg.	37.45 pts (+0.56%)
Volume (bn shares)	20.20
Value (IDR tn)	10.20
Up 202 Down 305 Unchanged 173	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBCA	949.4	BBNI	385.2
BBRI	892.1	BMRI	362.9
GOTO	472.1	TLKM	315.9
ASII	442.8	UNTR	311.8
ADRO	395.9	MDKA	228.3

Foreign Transaction

(IDR bn)			
Buy			
Sell			
Net Buy (Sell)			
Top Buy	NB Val.	Top Sell	NS Val.
BBRI	505.9	MDKA	61.8
BBCA	335.8	TLKM	45.1
ASII	243.4	BBNI	40.7
GOTO	222.3	INCO	20.2
ICBP	63.2	EXCL	12.4

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.44%	0.05%
USDIDR	14,925	0.40%
KRWIDR	11.26	0.97%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,426.63	(109.28)	-0.33%
S&P 500	4,191.98	(6.07)	-0.14%
FTSE 100	7,756.87	14.57	0.19%
DAX	16,275.38	112.02	0.69%
Nikkei	30,808.35	234.42	0.77%
Hang Seng	19,450.57	(276.68)	-1.40%
Shanghai	3,283.54	(13.78)	-0.42%
Kospi	2,537.79	22.39	0.89%
EIDO	23.59	0.14	0.60%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,977.8	20.3	1.04%
Crude Oil (\$/bbl)	71.55	(0.31)	-0.43%
Coal (\$/ton)	162.25	2.90	1.82%
Nickel LME (\$/MT)	21,278	344.0	1.64%
Tin LME (\$/MT)	25,451	437.0	1.75%
CPO (MYR/Ton)	3,481	89.0	2.62%

ICBP : Fitch Affirms 'BBB-' for Stable Outlook

Fitch Ratings has affirmed the long-term Issuer Default Rating (IDR) of PT Indofood CBP Sukses Makmur Tbk (ICBP) at 'BBB-' with a Stable Outlook. The agency has also affirmed the rating of ICBP's US dollar senior unsecured notes at 'BBB-'. This rating is supported by its leading position in several packaged food segments and strong free cash flow (FCF). The ratings also reflect ICBP's moderate scale, limited geographical spread and noodles business. (Emiten News)

INAF : Increase Product Availability

PT Indofarma Tbk (INAF) has increased and strengthened its distribution network, one of which is by signing a distribution cooperation with PT Bintang Kencana Artha (BKA) on Wednesday, May 17, 2023. The cooperation covers aspects of sales and distribution of Olegitimate Generic Drugs (OGB), Branded Generic Drugs, and OTC (Over The Counter) Products both to fulfill the regular market and government tenders. This cooperation will contribute positively to the increase in market share of Indofarma's product sales. (Emiten News)

WMUU : Posted a Loss Throughout 1Q23

PT Widodo Makmur Unggas Tbk (WMUU) suffered a loss of IDR 26.04 billion throughout 1Q23. WMUU posted a sharp decline in net sales of 80.11% to IDR 124.74 billion in 1Q23. Total cost of sales plummeted 76.72% to IDR126.15 billion. Therefore, as of 1Q23, WMUU recorded a gross loss of IDR1.40 billion. (Emiten News)

Domestic & Global News

Another European Tackle, Affects Indonesia's Palm & Coffee Industry

Indonesia has many natural resources that become export commodities. Unfortunately, many export commodities that contribute to driving the country's economy have to face obstacles. This time, the European Union (EU) seems to tackle commodities such as palm oil, cattle, wood, coffee, cocoa, and rubber. This was done by the EU by enacting a new law on deforestation called the EU Deforestation Regulation (EUDR). The law has been approved since April but officially takes effect May 16, 2023. Europe argues that this law is echoed to minimize the risk of deforestation. Not only for palm oil and coffee, the regulation also applies to a number of derivative products such as chocolate, furniture, printed paper, and other palm oil-based derivatives. Later, there will be an eligibility test for all exporting countries, including Indonesia. The traders will be asked to trace the commodities sold from the early stages of production. Exporters must guarantee that products do not come from deforested areas after 2020 or as of January 1, 2021 onwards. Penalties of up to 4% of revenue in the EU will be imposed if any violations occur. (CNBC Indonesia)

Biden and McCarthy to Meet on Monday as Debt Ceiling Talks Resume

U.S. President Joe Biden and House Republican Speaker Kevin McCarthy will meet to discuss the debt ceiling on Monday, after a "productive" phone call as the president headed back to Washington, the two sides said on Sunday. McCarthy, speaking to reporters at the U.S. Capitol following the call, said there were positive discussions on solving the crisis and that staff-level talks were set to resume later on Sunday. A White House official confirmed Monday's meeting but offered no specific time. Staff members from both sides reconvened at McCarthy's office in the Capitol for talks at about 6 p.m. (2200 GMT) on Sunday. Biden, before leaving Japan following the G7 summit earlier on Sunday, said he would be willing to cut spending together with tax adjustments to reach a deal but the latest offer from Republicans ceiling was "unacceptable." Less than two weeks remain until June 1, when the Treasury Department has warned that the federal government could be unable to pay all its debts, a deadline U.S. Treasury Secretary Janet Yellen reaffirmed on Sunday. (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							3,438.1							
BBCA	9,000	8,550	10,050	Overweight	11.7	20.8	1,109.5	25.1x	5.3x	21.8	2.3	22.1	44.6	0.9
BBRI	5,400	4,940	6,000	Overweight	11.1	21.6	818.4	15.0x	2.9x	19.8	5.3	10.3	28.8	1.1
BBNI	8,825	9,225	11,800	Buy	33.7	1.7	164.6	8.4x	1.2x	14.7	4.5	12.5	31.6	1.3
BMRI	5,075	4,963	11,550	Buy	127.6	28.5	473.7	10.8x	2.2x	21.2	5.2	16.0	25.1	1.3
Consumer Non-Cyclicals							1,197.8							
ICBP	10,950	10,000	13,000	Buy	18.7	37.3	127.7	19.3x	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	2,710	2,500	2,900	Overweight	7.0	67.3	60.6	25.5x	4.5x	19.1	0.8	11.4	135.7	0.7
CPIN	4,970	5,650	6,600	Buy	32.8	-	81.5	41.1x	3.1x	7.5	2.2	1.9	(79.5)	0.6
JPFA	1,170	1,295	1,300	Overweight	11.1	(15.2)	13.7	24.0x	1.1x	4.5	4.3	(3.2)	N/A	0.7
AAJI	7,400	8,025	9,200	Buy	24.3	(39.3)	14.2	9.7x	0.6x	6.8	5.5	(27.7)	(53.5)	1.0
Consumer Cyclicals							373.4							
ERAA	515	392	500	Hold	(2.9)	4.3	8.2	8.5x	1.2x	14.2	4.4	28.9	(21.1)	0.8
MAPI	1,675	1,445	1,700	Hold	1.5	98.2	27.8	13.8x	3.3x	27.1	N/A	32.5	(30.6)	0.8
Healthcare							290.1							
KLBF	2,170	2,090	2,300	Overweight	6.0	35.2	101.7	29.6x	4.7x	16.4	1.8	12.2	3.1	0.4
SIDO	765	755	1,000	Buy	30.7	(20.7)	23.0	20.7x	7.4x	35.8	4.8	3.0	1.8	0.6
MIKA	2,730	3,190	3,000	Overweight	9.9	(0.4)	38.9	39.3x	6.7x	17.9	1.3	(6.0)	(14.5)	0.2
Infrastructure							861.68							
TLKM	4,020	3,750	5,000	Buy	24.4	(4.5)	398.2	18.9x	2.9x	16.0	3.7	2.5	5.0	0.9
JSMR	3,500	2,980	5,100	Buy	45.7	(6.4)	25.4	8.9x	1.1x	13.2	N/A	21.2	34.3	0.8
EXCL	2,010	2,140	3,800	Buy	89.1	(24.4)	26.4	18.8x	1.0x	5.1	2.1	11.9	23.1	0.8
TOWR	1,035	1,100	1,300	Buy	25.6	7.8	52.8	15.5x	3.4x	23.8	2.3	9.4	(11.8)	0.4
TBIG	2,000	2,300	2,390	Buy	19.5	(29.6)	45.3	29.0x	3.9x	14.5	1.8	(1.4)	(25.6)	0.6
MTEL	665	800	865	Buy	30.1	-	55.5	31.7x	1.6x	5.3	3.2	9.9	9.1	N/A
WIKA	396	800	1,280	Buy	223.2	(56.0)	3.6	N/A	0.3x	(4.6)	N/A	37.4	N/A	1.2
PTPP	505	715	1,700	Buy	236.6	(42.3)	3.1	11.1x	0.3x	2.5	N/A	1.9	20.0	1.2
Property & Real Estate							251.2							
CTRA	1,095	940	1,500	Buy	37.0	10.6	20.3	11.0x	1.1x	10.2	1.3	(4.6)	(4.3)	0.9
PWON	476	456	690	Buy	45.0	(4.0)	22.9	13.0x	1.3x	10.3	0.8	5.9	60.5	1.1
Energy							1,221.2							
PGAS	1,345	1,760	1,770	Buy	31.6	(13.5)	32.6	7.2x	0.8x	10.9	9.3	11.6	(20.0)	1.0
PTBA	3,120	3,690	4,900	Buy	57.1	(21.0)	35.9	3.1x	1.2x	41.1	22.1	#N/A	N/A	1.0
ADRO	2,410	3,850	3,900	Buy	61.8	(22.5)	77.1	2.0x	0.8x	46.2	16.2	50.1	15.3	1.2
Industrial							431.6							
UNTR	23,300	26,075	32,000	Buy	37.3	(22.3)	86.9	3.9x	1.0x	27.2	30.1	24.7	26.6	0.9
ASII	6,475	5,700	8,000	Buy	23.6	(7.5)	262.1	8.5x	1.3x	16.3	9.9	15.5	27.2	1.1
Basic Ind.							985.4							
SMGR	5,925	6,575	9,500	Buy	60.3	(4.6)	40.0	15.0x	0.9x	6.1	4.1	4.5	(2.1)	0.9
INTP	10,200	9,900	12,700	Buy	24.5	3.8	37.5	17.3x	1.8x	10.0	4.9	19.3	109.0	0.8
INCO	6,400	7,100	8,200	Buy	28.1	(16.1)	63.6	18.4x	1.7x	9.9	1.4	54.5	45.6	1.2
ANTM	1,955	1,985	3,450	Buy	76.5	(20.5)	47.0	11.7x	1.9x	16.9	2.0	18.9	13.5	1.4

* Target Price

Source: Bloomberg, NHKSI Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	KR	07:00	Exports 20 Days YoY	May		—	-11.8%
22– May.	JP	06:50	Core Machine Orders MoM	Mar		0.5%	-4.5%
Tuesday	US	20:45	S&P Global US Manufacturing PMI	May P		50.0	50.2
23– May.	US	21:00	New Home Sales	Apr		660K	683K
	ID	10:00	BoP Current Account Balance	1Q		\$2,450Mn	\$4,300Mn
	ID	14:20	Bank Indonesia 7D Reverse Repo	May 24		5.75%	5.75%
Wednesday	US	18:00	MBA Mortgage Applications	May 19		—	-5.7%
24– May.	GE	15:00	IFO Business Climate	May		93.0	93.6
Thursday	US	19:30	Initial Jobless Claims	May 20		—	242K
25– May.	US	19:30	Continuing Claims	May 13		—	1,799K
	US	19:30	GDP Annualized QoQ	1Q S		1.1%	1.1%
Friday	US	19:30	Personal Income	Apr		0.4%	0.3%
26– May.	US	19:30	Personal Spending	Apr		0.4%	0.0%
	US	19:30	Durable Goods Orders	Apr P		-1.0%	3.2%
	US	21:00	U. of Mich. Sentiment	Apr P		57.7	57.7

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	BPII, BRIS, BSML, CPIN, IDEA, KBLV, NAYZ, PRAY
22– May.	Cum Dividend	ADRO
Tuesday	RUPS	BISI, IKAI, ITIC, LUCY, MGRO, MIKA, MLBI, NASI, SICO, SKLT, TGRA
23– May.	Cum Dividend	BUDI, SMCB, TBLA
Wednesday	RUPS	ABDA, AMMS, ARTA, BBSI, BOBA, BSSR, DILD, ELIT, GZCO, HEXA, KBAG, KMDS, MAYA, MBAP, META, MITI, MPMX, NELY, NZIA, PAMG, PNGO, PPRE, PPRO, RALS, SKRN, TAYS
24– May.	Cum Dividend	ISAT, KUAS, NTBK, PTRO, SRTG, TRGU
Thursday	RUPS	ARTO, BJBR, BSBK, BUKA, EDGE, ELPI, GLOB, IPAC, MREI, OMED, PBSA, SDPC, SILO, SPTO, TRIO, VICI, WSKT, ZATA
25– May.	Cum Dividend	TAPG
Friday	RUPS	BEBS, BGTG, BVIC, CEKA, CENT, CSIS, IBST, INCF, INPS, IPPE, ISAP, JARR, LPIN, MLIA, NRCA, OILS, PTSP, SBMA, SRIL, TOTO, UNSP
26– May.	Cum Dividend	EAST, JAYA

Source: Bloomberg



IHSG projection for 22 May 2023 :

BULLISH technical rebound / KONSOLIDASI

Support : 6660-6650 / 6560-6550.

Resistance : 6735-6765 / 6800 / 6950-6960 / 7000-7040.

ADVISE : Speculative Buy ; Average Up accordingly.

TOWR—PT Sarana Menara Nusantara TBK



PREDICTION 22 May 2023

Overview

Uji Resistance Neckline pola (bullish reversal) Cup & Handle.

Advise

Speculative Buy.

Entry Level : 1035

Average Up >1055.

Target: 1080 / 1180 / 1225.

Stoploss: 995.

INKP—PT Indah Kiat Pulp & Paper TBK



PREDICTION 22 May 2023

Overview

Uji support jk.pendek.

Advise

Speculative Buy.

Entry Level: 7225

Average Up >7450

Target : 7600 / 8000 / 8550-8600 / 8800.

Stoploss: 7125.

INCO—PT Vale Indonesia TBK



PREDICTION 22 May 2023

Overview
Uji Support mid-term.

Advise
Speculative Buy.
Entry Level: 6400-6300
Target: 6700-6800 / 7000 / 7125-7300.
Stoploss: 6250.

BCA—PT Bank Central Asia Tbk



PREDICTION 22 May 2023

Overview
Break Resistance MA10 & MA20.
Doji yang disusul oleh candle hijau.

Advise
Buy.
Entry Level: 9000.
Target: 9200 / 9300 / 9400.
Stoploss: 8800.

ANTM—PT Aneka Tambang TBK



PREDICTION 22 May 2023

Overview
Rebound dari Fibonacci retracement 61.8%.

Advise
Speculative Buy.
Entry Level: 1955
Average Up >2000-2020.
Target: 2060 / 2130-2150.
Stoploss: 1900

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