

## Weekly Brief (May 8 – 12, 2023)

### Summary:

#### Last week review:

**Last week was full of economic data that plays an important role in determining future interest rate policy and the prospect of a global recession.** Wait & See sentiment had affected the market which was preceded by concern when there was a scheme to rescue First Republic Bank by JPMorgan for USD10.6 billion; while waiting for the decision of the US Federal Reserve which finally decided to raise the US benchmark interest rate by 25bps to 5%-5.25%. Market participants are partly hoping that the Fed could put the brakes on this rate hike at the next FOMC Meeting in June amid concerns among investors whether the US banking crisis will expand, especially when news emerged that PacWest Bancorp Bank is also seeking strategic assistance and even considering a sale option. Federal Reserve Chairman Jerome Powell said that the possibility of a rate pause actually requires a look at economic data developments, which are still showing a heated economy. US PMI (Apr.) shows signs of expansion; as well as a number of employment data in the private sector, namely ADP Nonfarm Employment Change (Apr.) and the latest data on Friday, Nonfarm Payrolls (Apr.), both of which were released surprisingly well above expectations. With the above-mentioned fact, led the Unemployment Rate to turn down to 3.4% (from 3.5% previously), making traders consider the central bank's comments that the road to the 2% Inflation target is still a long way to go and therefore it is likely that the natural interest rate will still be perched at around 5% for the rest of this year. On the other hand, the US government is also struggling with the Parliament there regarding the urgency of approval to raise the debt ceiling before June 1st or the US government could be shut down due to lack of operational funds. A number of global central banks have also taken similar interest rate hikes, such as the Reserve Bank of Australia and Bank of Malaysia; as well as the ECB which has announced a 25 bps rate hike & brought their benchmark rate to 3.75%, amidst Inflation (Apr.) which is still firmly perched at 7%. Business activity also looked more vibrant in the Europe, as the Composite PMI for Germany, Eurozone, UK in April looked more expansionary than the previous month. On the one hand, this was not the case for China's Composite PMI (Apr.) which still contracted back to 54.4 (from 57 previously) whereas the decline in business activity was evenly spread across all sectors. Indonesia's Inflation Rate (Apr.) managed to ease back to 4.33% YoY (vs. 4.97% Mar.) despite the festive season of Ramadhan. Core Inflation also managed to ease to a 10-month low of 2.83% YoY (vs. 2.94% Mar.), which was also lower than expected. Meanwhile, the S&P Global Indonesia Manufacturing PMI (Apr.) expanded to 52.7 (vs. 51.9 previous month), signaling 20 consecutive months of growth in manufacturing activity. Indonesia closed this week's bright economic data by reporting 1Q23 GDP at 5.03% YoY (higher than forecast & previous). Rupiah exchange rate remained firmly below the psychological level of IDR 15,000, especially after the Central Bank of South Korea and Indonesia signed an MoU to promote both parties' currencies through bilateral transactions. Oil prices were finally able to rebound to USD 71.43 / barrel due to the fact that US oil inventories dropped more than expected along with high business activity; after the crude oil price had dropped as low as USD 63.64 due to investors' view of the coming wave of global recession, which also made the world gold price stabilize above the psychological limit of USD 2000.

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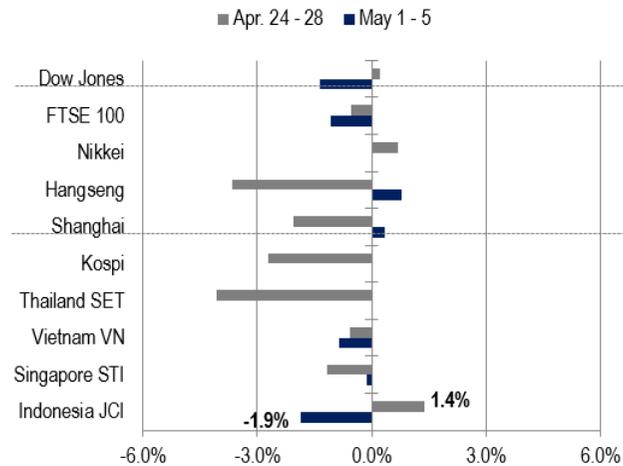
### This week's outlook:

**Indonesia will start the week with the release of Foreign Exchange Reserves (Apr.) data** with the previous position at USD 145.2 billion. The US Inflation (Apr.) figure will become the much-awaited benchmark on Wednesday, where economists expect it to stay at 5% YoY; with Core Inflation softening slightly to 5.5% YoY (compared to 5.6% in the previous month). Throughout the week, China's Trade Balance (Apr.) and Inflation (Apr.) will follow, with analysts having to remind the market that domestic consumption has yet to recover. Traders will also be closely monitoring the Bank of England's decision on interest rate which is expected to rise by 25bps to fight their stubborn inflation at double digit level of 10.1%. Europe will also be monitoring the UK's 1Q23 GDP figure which is expected to remain weak, as well as German Inflation (Apr.) which is expected to continue sliding to 7.2% (from 7.4% previously).

JCI Index	: 6,787.63 (-1.9%)
Foreign Flow	: Net Sell of IDR 1.0 Trillion (Vs. last week's net buy of IDR 2.8 Trillion)
USD/IDR	: 14,675 (0.03%)

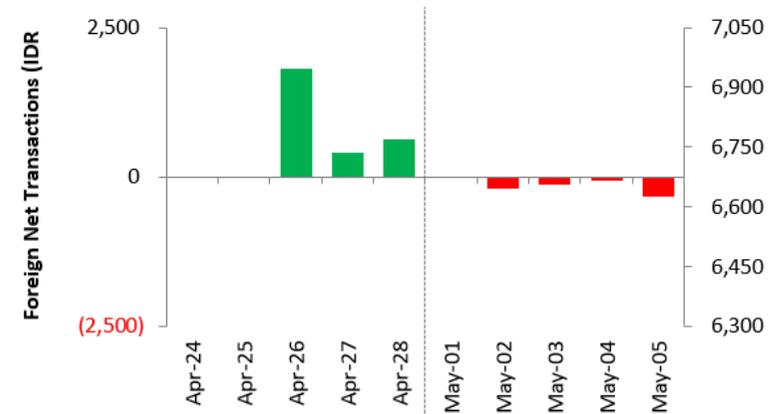
# Last Week's JCI Movement

## Global Market Movement



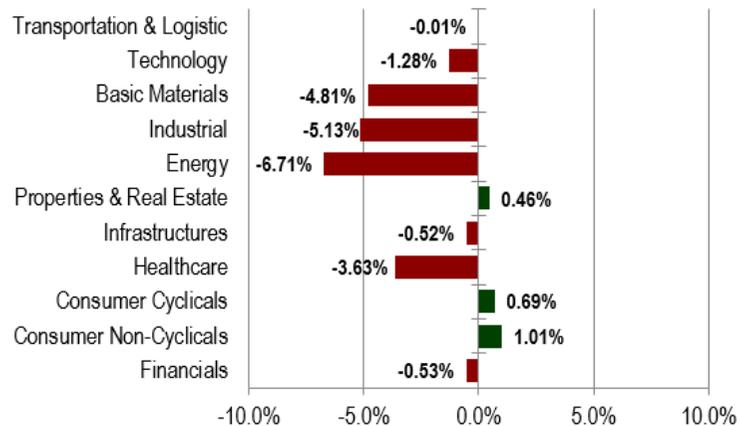
Source: Bloomberg, NHKSI Research

## Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

## JCI Sector Movement



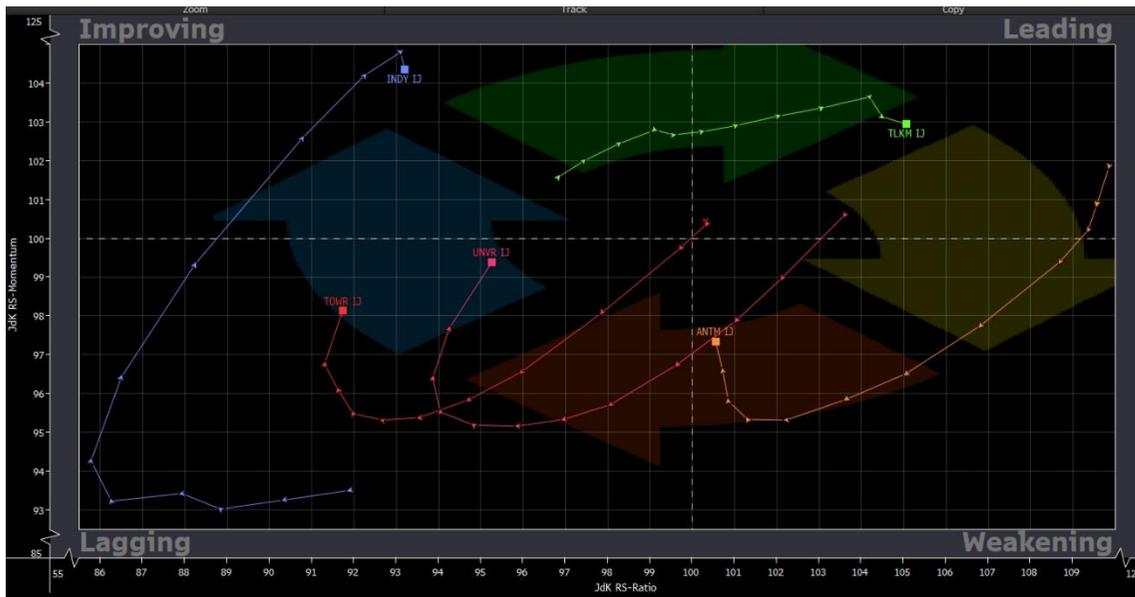
Source: Bloomberg, NHKSI Research

## JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
ASII	546,569	TLKM	638,154
BBRI	226,877	ADRO	374,629
ICBP	208,335	BBCA	175,732
AMRT	42,515	SMGR	162,011
KLBF	16,467	UNTR	107,356

Source: Bloomberg, NHKSI Research

# Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
ANTM	2090-2100 / 2130-2150 / 2380	1990
TLKM	4220-4250 / 4500 / 4600	4050
TOWR	1055 / 1075 / 1100-1130	980
UNVR	4690-4700 / 4750-4770 / 4920 / 5000-5075	4350
INDY	2300-2330 / 2400 / 2460-2500	1990

Source: Bloomberg, NHKSI Research

# JCI Index

<b>Support</b>	6750-6730 / 6650 / 6600	<b>Resistance</b>	6805-6850 / 6950-6960 / 7000-7040 / 7100-7130
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Source: NHKSI Research, Bloomberg

## Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
<b>Monday</b>	US	21:00	Wholesale Inventories MoM	Mar F	0.1%	0.1%
<i>8– Mei.</i>	ID	10:00	Foreign Reserves	Apr	—	\$145.20Bn
<b>Tuesday</b>	CH	—	Trade Balance	Apr	\$69.00Bn	\$88.19Bn
<i>9– Mei.</i>	ID	—	Consumer Confidence Index	Apr	—	123.3
<b>Wednesday</b>	US	19:30	CPI MoM	Apr	0.4%	0.1%
<i>10– Mei.</i>	US	19:30	CPI YoY	Apr	5.0%	5.0%
<b>Thursday</b>	US	19:30	PPI Final Demand MoM	Apr	0.3%	-0.5%
<i>11– Mei.</i>	US	19:30	Initial Jobless Claims	May 6	—	242K
	CH	08:30	CPI YoY	Apr	0.3%	0.7%
	CH	08:30	PPI YoY	Apr	-3.2%	-2.5%
<b>Friday</b>	US	21:00	U. of Mich. Sentiment	May P	63.0	63.5
<i>12– Mei.</i>	FR	13:45	CPI YoY	Apr F	—	5.9%

Source: Bloomberg, NHKSI Research

## Corporate Action Calendar

Date	Event	Company
<b>Monday</b>	RUPS	MLPL, PLIN, POWR, SMBR, SSMS
8– Mei.	Cum Dividend	BYAN
<b>Tuesday</b>	RUPS	PGJO, SFAN, SOSS, TMPO, WTON
9– Mei.	Cum Dividend	AKRA, TUGU
<b>Wednesday</b>	RUPS	ABMM, ADMR, AGRO, CMNP, ESTA, HAIS, JSMR, MERK, MYOH, TCID, TOTL, WEGE
10– Mei.	Cum Dividend	EPMT, LUCY, SMSM
<b>Thursday</b>	RUPS	ADRO, DNAR, PZZA
11– Mei.	Cum Dividend	—
<b>Friday</b>	RUPS	BUDI, SMCB, TBLA
12– Mei.	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
<b>Finance</b>							3,496.7							
BBCA	9,025	8,550	9,750	Overweight	8.0	11.1	1,112.6	25.1x	5.3x	21.8	2.3	22.1	44.6	0.9
BBRI	5,200	4,940	5,800	Overweight	11.5	6.8	788.1	14.4x	2.8x	19.8	5.5	10.3	28.8	1.1
BBNI	9,300	9,225	11,800	Buy	26.9	0.8	173.4	8.9x	1.2x	14.7	4.2	12.5	31.6	1.3
BMRI	5,175	4,963	11,550	Buy	123.2	15.6	483.0	11.0x	2.2x	21.2	5.1	16.0	25.1	1.2
<b>Consumer Non-Cyclicals</b>							1,195.3							
ICBP	10,900	10,000	12,000	Overweight	10.1	43.0	127.1	19.3x	3.2x	17.3	2.0	11.4	104.2	0.5
UNVR	4,450	4,700	4,850	Overweight	9.0	14.4	169.8	35.7x	31.8x	81.0	3.4	(2.2)	(30.2)	0.5
MYOR	2,640	2,500	2,900	Overweight	9.8	50.9	59.0	24.9x	4.4x	19.1	0.8	11.4	135.7	0.7
CPIN	4,700	5,650	6,600	Buy	40.4	(8.7)	77.1	38.9x	2.9x	7.5	2.3	1.9	(79.5)	0.6
JPFA	1,080	1,295	1,300	Buy	20.4	(25.5)	12.7	22.2x	1.0x	4.5	4.6	(3.2)	N/A	0.8
AALI	7,550	8,025	9,200	Buy	21.9	(39.6)	14.5	9.9x	0.7x	6.8	5.4	(27.7)	(53.5)	1.0
<b>Consumer Cyclicals</b>							356.5							
ERAA	448	392	500	Overweight	11.6	(14.7)	7.1	7.4x	1.0x	14.2	5.1	28.9	(21.1)	0.8
MAPI	1,465	1,445	1,700	Buy	16.0	62.8	24.3	12.1x	2.9x	27.1	N/A	32.5	(30.6)	0.9
<b>Healthcare</b>							288.7							
KLBF	2,110	2,090	2,300	Overweight	9.0	28.7	98.9	28.8x	4.6x	16.4	1.7	12.2	3.1	0.4
SIDO	800	755	950	Buy	18.8	(14.9)	24.0	21.6x	7.7x	35.8	4.6	3.0	1.8	0.6
MIKA	2,570	3,190	3,000	Buy	16.7	1.6	36.6	37.0x	6.3x	17.9	1.4	(6.0)	(14.5)	0.3
<b>Infrastructure</b>							876.26							
TLKM	4,160	3,750	4,940	Buy	18.8	(10.0)	412.1	19.6x	3.0x	16.0	3.6	2.5	5.0	0.8
JSMR	3,310	2,980	5,100	Buy	54.1	(17.9)	24.0	8.4x	1.1x	13.2	N/A	21.2	34.3	0.8
EXCL	1,825	2,140	3,800	Buy	108.2	(42.8)	24.0	17.6x	0.9x	4.9	2.8	8.9	(13.2)	0.8
TOWR	1,010	1,100	1,300	Buy	28.7	-	51.5	15.1x	3.3x	23.8	2.4	9.4	(11.8)	0.3
TBIG	2,040	2,300	2,390	Buy	17.2	(32.2)	46.2	29.6x	3.9x	14.5	1.8	(1.4)	(25.6)	0.6
WIKA	540	800	1,280	Buy	137.0	(43.2)	4.8	N/A	0.4x	(0.5)	N/A	20.6	N/A	1.3
PTPP	580	715	1,700	Buy	193.1	(38.0)	3.6	12.8x	0.3x	2.5	N/A	1.9	20.0	1.2

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<b>Property &amp; Real Estate</b>							247.2							
CTRA	1,035	940	1,500	Buy	44.9	(2.8)	19.2	10.4x	1.0x	10.2	1.4	(4.6)	(4.3)	0.9
PWON	474	456	690	Buy	45.6	(15.4)	22.8	12.9x	1.3x	10.3	0.8	5.9	60.5	1.1
<b>Energy</b>							1,305.9							
PGAS	1,390	1,760	1,770	Buy	27.3	(4.1)	33.7	7.5x	0.8x	10.9	9.0	11.6	(20.0)	1.0
PTBA	3,430	3,690	4,900	Buy	42.9	(10.2)	39.5	3.4x	1.3x	41.1	20.1	21.4	(48.9)	1.0
ADRO	2,840	3,850	3,900	Buy	37.3	(15.0)	90.8	2.4x	0.9x	46.2	13.7	50.1	15.3	1.2
<b>Industrial</b>							423.9							
UNTR	24,700	26,075	32,000	Buy	29.6	(18.4)	92.1	4.1x	1.0x	27.2	28.4	24.7	26.6	0.9
ASII	6,125	5,700	8,000	Buy	30.6	(19.1)	248.0	8.1x	1.2x	16.3	10.4	15.5	27.2	1.1
<b>Basic Ind.</b>							1,025.9							
SMGR	5,750	6,575	9,500	Buy	65.2	(9.9)	38.8	14.6x	0.9x	6.1	4.3	4.5	(2.1)	0.9
INTP	10,000	9,900	12,700	Buy	27.0	(4.5)	36.8	16.9x	1.7x	10.0	5.0	19.3	109.0	0.9
INCO	7,000	7,100	8,200	Buy	17.1	(4.1)	69.6	20.5x	1.9x	9.9	N/A	54.5	45.6	1.2
ANTM	2,060	1,985	3,450	Buy	67.5	(20.8)	49.5	12.3x	2.0x	16.9	1.9	18.9	13.5	1.4

Source : Bloomberg, NH KSI Research

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