

Morning Brief

Daily | June 14, 2023

JCI Movement



Today's Outlook:

The S&P 500 and Nasdaq reached their highest closes in 52 weeks on Tuesday (13/06/23) after US Inflation data (May) slipped to the lowest level in a year, boosting bets that the Federal Reserve will not raise interest rates later tonight (around 1 AM GMT on Thursday). The US Labor Department report showed the consumer price index (CPI) rose 0.1% mom in May, compared to 0.4% in April (an 11-month consecutive decline); while Core Inflation unchanged at 0.4% mom. On an annual basis, Inflation rose 4% yoy, successfully lower than the previous period at 4.9%. Thus, traders priced in the probability that the Federal Reserve will hold the Fed Funds Rate at the 5%-5.25% range, increasing to 95%, compared to 81% a day earlier. Likewise, the odds of the Fed resuming hikes in July increased to 60% from 50% a day earlier. Meanwhile, the Raw Materials Sector led market gains driven by rising commodities including metal prices on optimism over demand after China cut its short-term rates to bolster its post-pandemic recovery. The Energy Sector was also racked up gains following the accommodative move on the global economy from the Bank of China. **The Europe also reported Inflation levels that were safely under control**, as evidenced by the German CPI (May) coming in at 6.1% yoy, successfully slipping from April at 7.2%. As for Germany and the Eurozone, economic sentiment in June is slightly more optimistic. Even in the UK, the labor market seems to remain heated with wage growth data still on an upward trend and unemployment claims declining. The UK also reported an above-expectation increase in new jobs in April of 250k (vs forecast 150k, vs previous 182k). Later in the afternoon, we will look forward to UK GDP data for April, as well as their Industrial Production, Manufacturing Production, and Trade Balance. In the evening, all eyes will be on one more important data from the US before the FOMC Meeting decision, namely PPI (May) or producer-level inflation, which is also expected to tame.

JCI closed slightly lower but still above the 6700 barrier ahead of this week's Trade Balance data and FOMC Meeting decision; followed by Foreign Net Sell worth IDR 115.33 billion, increasing foreign outflows from Indonesian stocks to IDR 1.79trillion this week alone. However, monthly and YTD foreign buying interest is still positive at IDR 2.65 trillion and IDR 19.73 trillion respectively. Indonesia reported a 1.5% yoy increase in Retail Sales in April, slowing from 4.9% the previous month; the third consecutive month of slowdown as consumption weakened due to high costs. Considering the above market sentiment, **NH KSI RESEARCH expects bullish condition can still be maintained**, although the breakout of the crucial Resistance level of 6735-6765 may have to wait for the FOMC Meeting decision in the early morning (will be known by most market participants tomorrow morning) ; **causing us to recommend Wait & See if we want to add portfolio position.**

Company News

TOBA : To Distribute USD6.9 Million Dividend
BABP : Net Profit in 1Q23 Surges 166%
HILL : Expanding Nickel Business Post IPO

Domestic & Global News

Tripped up by US and Europe, RI's Electric Battery Minerals Pass to UK
Oil Prices Jump 3 Percent, Supported by Prospects for Increased Demand

Sectors

	Last	Chg.	%
Transportation & Logistic	1957.65	-24.04	-1.21%
Basic Material	985.27	-9.18	-0.92%
Consumer Non-Cyclicals	748.08	-5.91	-0.78%
Property	739.64	-5.08	-0.68%
Energy	1777.30	-7.14	-0.40%
Infrastructure	852.76	-2.39	-0.28%
Technology	4933.63	-10.40	-0.21%
Industrial	1168.69	-1.37	-0.12%
Finance	1404.88	-1.19	-0.08%
Healthcare	1526.33	3.42	0.22%
Consumer Cyclicals	888.71	3.47	0.39%

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)	139.30	144.20	Current Acc (USD bn)	3.00	4.54
Trd Balance (USD bn)	3.94	2.91	Govt. Spending Yoy	3.99%	-4.77%
Exports Yoy	-29.40%	-11.33%	FDI (USD bn)	5.14	5.14
Imports Yoy	-22.32%	-6.26%	Business Confidence	104.82	105.33
Inflation Yoy	4.00%	4.33%	Cons. Confidence*	128.30	126.10

JCI Index

June 13	6,719.01
Chg.	3.36 pts (-0.05%)
Volume (bn shares)	20.63
Value (IDR tn)	9.83
Up 227 Down 264 Unchanged 179	

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BMRI	734.0	BBNI	184.3
BBRI	598.8	PTBA	179.1
GOTO	485.9	BOGA	164.7
BBCA	416.2	ASII	162.1
TLKM	281.3	MDKA	146.2

Foreign Transaction

(IDR bn)

Buy			3,582
Sell			3,697
Net Buy (Sell)			(115)
Top Buy	NB Val.	Top Sell	NS Val.
BBRI	278.6	BMRI	152.9
ASII	79.5	GOTO	88.1
BBCA	52.3	MDKA	55.8
TLKM	22.8	PGAS	42.2
ADRO	21.3	UNTR	38.7

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.28%	-0.04%
USDIDR	14,860	-0.03%
KRWIDR	11.69	1.31%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,212.12	145.79	0.43%
S&P 500	4,369.01	30.08	0.69%
FTSE 100	7,594.78	24.09	0.32%
DAX	16,230.68	132.81	0.83%
Nikkei	33,018.65	584.65	1.80%
Hang Seng	19,521.42	117.11	0.60%
Shanghai	3,233.67	4.84	0.15%
Kospi	2,637.95	8.60	0.33%
EIDO	23.48	(0.03)	-0.13%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,943.7	(14.1)	-0.72%
Crude Oil (\$/bbl)	69.42	2.30	3.43%
Coal (\$/ton)	132.25	(1.75)	-1.31%
Nickel LME (\$/MT)	21,952	1197.0	5.77%
Tin LME (\$/MT)	26,065	164.0	0.63%
CPO (MYR/Ton)	3,416	67.0	2.00%

TOBA : To Distribute USD6.9 Million Dividend

PT TBS Energi Utama Tbk (TOBA) will distribute USD6.9 million in dividends. The dividend allocation is around 11.94% of the net profit for the fiscal year 2022. Shareholders will receive a dividend of USD0.0008511 or IDR12.7 per share (exchange rate IDR14,860 per USD). Cum dividends on the regular market and negotiation market on June 16, 2023. Ex dividends on regular market and negotiation market on June 19, 2023. (Emiten News)

HILL : Expanding Nickel Business Post IPO

Mining contractor PT Hillcon Tbk (HILL) will soon realize its post-IPO business plan, namely the development of the nickel industry through a subsidiary. This corporation action plan will utilize the proceeds from the IPO worth IDR 552.87 billion. The business expansion plan through this subsidiary is in line with what is described in the prospectus, the Company allocates 55% of the IPO funds for working capital in the form of mining production costs, including fuel costs, overhead costs, and maintenance of heavy equipment. Meanwhile, around 45% of the IPO funds are utilized for capital expenditures in order to increase the productivity of HILL's business as the parent company. (Emiten News)

BABP : Net Profit in 1Q23 Surges 166%

In the March 2023 Audit Financial Report, MNC Bank posted a net profit of IDR21.83 billion in the first quarter of 2023 or grew 166.03% YoY (year-on-year) from IDR8.21 billion in the first quarter of 2022. The Company's loan disbursement also grew by 13.26% YoY. Thus, MNC Bank's interest income in the first quarter of 2023 rose 23.11% YoY. (Emiten News)

Domestic & Global News

Tripped up by US and Europe, RI's Electric Battery Minerals Pass to UK

The government is working to secure limited free trade agreements (FTAs) with the United States (US) and the European Union (EU). The effort has intensified recently to secure access to Indonesia's critical mineral credits in the two largest electric vehicle markets today. As is known, the US has a new renewable energy incentive policy package through the Inflation Reduction Act (IRA), while the EU has the Critical Raw Materials Act (CRM) which limits the origin of critical minerals and electric vehicle manufacturers to receive local government subsidies. President Director of Indonesia Battery Corporation (IBC) Toto Nugroho said that the certainty of the limited FTA is crucial for the nickel ore processing industry towards Indonesian electric vehicle batteries to obtain broad market certainty in the United States and the blue continent countries. Nevertheless, Toto said, Indonesia's critical material and electric battery markets have been relatively accepted in the UK. Unlike the European Union and the United States, which apply discriminatory subsidies to some countries, the British government is fairly open to Indonesian raw materials and electric batteries. (Bisnis)

Oil Prices Jump 3 Percent, Supported by Prospects for Increased Demand

Crude oil prices jumped at the end of trading last Tuesday (13/6/2023) along with strengthening demand expectations. Oil prices rose more than 3% from a sharp decline in the previous session, supported by hopes of increased fuel demand after China's central bank cut short-term lending rates for the first time in 10 months, citing Antara. West Texas Intermediate (WTI) crude oil futures for the July contract rose 2.30 points or 3.43% to USD 69.42 per barrel. Brent oil prices for the August contract jumped 2.45 points or 3.41% to USD 74.29 per barrel. Most market participants expect the Fed to leave interest rates unchanged, especially after data showed US consumer prices barely rose in May. (Bisnis)

	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							3,582.4							
BBCA	9,150	8,550	10,050	Overweight	9.8	24.5	1,128.0	25.5x	5.3x	21.8	2.2	22.1	44.6	0.9
BBRI	5,550	4,940	6,000	Overweight	8.1	27.9	841.2	15.4x	3.0x	19.8	5.2	10.3	28.8	1.1
BBNI	9,125	9,225	12,000	Buy	31.5	10.6	170.2	8.7x	1.2x	14.7	4.3	12.5	31.6	1.3
BMRI	5,100	4,963	6,300	Buy	23.5	25.9	476.0	10.9x	2.2x	21.2	5.2	16.0	25.1	1.3
Consumer Non-Cyclicals							1,220.8							
ICBP	11,250	10,000	13,000	Buy	15.6	30.8	131.2	19.9x	3.3x	17.3	1.9	11.4	104.2	0.4
UNVR	4,510	4,700	4,850	Overweight	7.5	(3.8)	172.1	36.2x	32.2x	81.0	3.4	(2.2)	(30.2)	0.5
MYOR	2,740	2,500	2,900	Overweight	5.8	69.1	61.3	25.8x	4.6x	19.1	0.8	11.4	135.7	0.7
CPIN	5,025	5,650	6,600	Buy	31.3	-	82.4	41.6x	3.1x	7.5	2.1	1.9	(79.5)	0.5
JPFA	1,225	1,295	1,300	Overweight	6.1	(11.6)	14.4	25.1x	1.1x	4.5	4.1	(3.2)	N/A	0.7
AALI	7,350	8,025	9,200	Buy	25.2	(32.1)	14.1	9.6x	0.6x	6.8	5.5	(27.7)	(53.5)	1.0
Consumer Cyclicals							386.1							
ERAA	492	392	600	Buy	22.0	(0.8)	7.8	8.2x	1.1x	14.2	4.6	28.9	(21.1)	0.8
MAPI	1,850	1,445	2,000	Overweight	8.1	105.6	30.7	15.3x	3.6x	27.1	N/A	32.5	(30.6)	0.7
Healthcare							293.7							
KLBF	2,080	2,090	2,300	Overweight	10.6	28.0	97.5	28.3x	4.5x	16.4	1.8	12.2	3.1	0.4
SIDO	760	755	1,000	Buy	31.6	(20.8)	22.8	20.5x	7.3x	35.8	4.8	3.0	1.8	0.6
MIKA	2,760	3,190	3,000	Overweight	8.7	2.2	39.3	39.7x	6.8x	17.9	1.3	(6.0)	(14.5)	0.2
Infrastructure							881.92							
TLKM	4,030	3,750	5,000	Buy	24.1	(1.2)	399.2	19.0x	2.9x	16.0	4.2	2.5	5.0	0.8
JSMR	3,850	2,980	5,100	Buy	32.5	1.0	27.9	9.8x	1.3x	13.2	2.0	21.2	34.3	0.8
EXCL	2,050	2,140	3,800	Buy	85.4	(14.9)	26.9	19.2x	1.0x	5.1	2.0	11.9	23.1	0.8
TOWR	1,005	1,100	1,370	Buy	36.3	12.3	51.3	15.0x	3.3x	23.8	2.4	9.4	(11.8)	0.3
TBIG	2,100	2,300	2,390	Overweight	13.8	(26.8)	47.6	30.4x	4.0x	14.5	N/A	(1.4)	(25.6)	0.4
MTEL	635	800	865	Buy	36.2	(9.9)	53.0	30.2x	1.6x	5.3	3.4	9.9	9.1	N/A
WIKA	525	800	1,280	Buy	143.8	(42.6)	4.7	N/A	0.4x	(4.6)	N/A	37.4	N/A	1.2
PTPP	605	715	1,700	Buy	181.0	(32.8)	3.8	13.3x	0.3x	2.5	N/A	1.9	20.0	1.1
Property & Real Estate							258.6							
CTRA	1,155	940	1,500	Buy	29.9	24.2	21.4	11.6x	1.1x	10.2	1.2	(4.6)	(4.3)	0.9
PWON	496	456	690	Buy	39.1	3.3	23.9	13.5x	1.3x	10.3	0.8	5.9	60.5	1.1
Energy							1,092.9							
PGAS	1,305	1,760	1,770	Buy	35.6	(20.4)	31.6	7.0x	0.8x	10.9	10.8	11.6	(20.0)	0.9
PTBA	3,490	3,690	4,900	Buy	40.4	(9.8)	40.2	3.5x	1.4x	41.1	19.7	21.4	(48.9)	1.0
ADRO	2,210	3,850	3,900	Buy	76.5	(30.7)	70.7	1.8x	0.7x	46.2	22.0	50.1	15.3	1.3
Industrial							447.3							
UNTR	22,975	26,075	32,000	Buy	39.3	(25.1)	85.7	3.8x	0.9x	27.2	30.5	24.7	26.6	0.9
ASII	6,750	5,700	8,000	Buy	18.5	(3.9)	273.3	8.9x	1.4x	16.3	9.5	15.5	27.2	1.1
Basic Ind.							933.4							
SMGR	6,000	6,575	9,500	Buy	58.3	(8.1)	40.5	15.2x	0.9x	6.1	4.1	4.5	(2.1)	0.8
INTP	9,800	9,900	12,700	Buy	29.6	7.1	36.1	16.6x	1.7x	10.0	1.6	19.3	109.8	0.8
INCO	6,450	7,100	8,200	Buy	27.1	(10.4)	64.1	18.7x	1.8x	9.9	1.4	54.5	45.6	1.2
ANTM	2,010	1,985	3,450	Buy	71.6	(11.1)	48.3	12.0x	1.9x	16.9	1.9	18.9	13.5	1.4

* Target Price

Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	—	Consumer Confidence Index	May	128.3	—	126.1
12 – June	GE	—	Wholesale Price Index YoY	May	—	—	-0.5%
Tuesday	US	19:30	CPI YoY	May	4.0%	4.1%	4.9%
13 – June	GE	13:00	CPI YoY	May F	6.1%	6.1%	6.1%
Wednesday	US	18:00	MBA Mortgage Applications	Jun 9		—	-1.4%
14 – June	US	19:30	PPI Final Demand MoM	May		-0.1%	0.2%
Thursday	US	01:00	FOMC Rate Decision (Upper Bound)	Jun 14		5.25%	5.25%
15 – June	US	01:00	FOMC Rate Decision (Lower Bound)	Jun 14		5.00%	5.00%
	US	19:30	Retail Sales Advance MoM	May		0.0%	0.4%
	US	19:30	Initial Jobless Claims	Jun 10		—	261K
	US	19:30	Empire Manufacturing	Jun		-15.6	-31.8
	US	20:15	Industrial Production MoM	May		0.1%	0.5%
	CH	09:00	Industrial Production YoY	May		3.5%	5.6%
	CH	09:00	Retail Sales YoY	May		13.9%	18.4%
	ID	11:00	Trade Balance	May		\$2,573 Mn	\$3,940 Mn
	ID	11:00	Exports YoY	May		-12.0%	-29.4%
	ID	11:00	Import YoY	May		-12.1%	-22.3%
Friday	US	21:00	U. of Mich. Sentiment	Jun P		60.0	59.2
16 – June	JP	—	BoJ Policy Balance Rate	Jun 16		—	-0.1%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	ASPI, BDKR, BRPT, CPDW, JECC, KING, MPOW, PSAB, SIPD, VAST
12 – June	Cum Dividend	AGII, CLEO, HRTA, MEDC, PUDP, SMKL, SWID, TBIG, TSPC
Tuesday	RUPS	BATA, BKSL, BOLT, BTON, EKAD, ENAK, GDST, KBLI, MASA, MYOR, POLI, POLL, POLU, RSGK, SAME, SOFA, SONA, UNIC, ZONE
13 – June	Cum Dividend	BUAH, FWCT, KBLM, MDKI, PGEO, SGER, SRSN
Wednesday	RUPS	ADFO, COAL, DEWA, DIVA, EMTK, HILL, JTPE, KOBX, LTLS, MCAS, NFCX, OILS, PADI, PEVE, SCMA, WIFI
14 – June	Cum Dividend	AKPI, BRAM, ELSA, PSSI, SCCO, SCPI, SMAR
Thursday	RUPS	ALMI, ALTO, ANTM, BABP, BAPA, BCAP, BMAS, CMNP, COCO, CTBN, DMMX, DWGL, FIMP, GDYR, GJTL, GLVA, INAI, IRSX, KETR, LPCK, LPKR, MORA, NOBU, PTBA, PTDU, SMKMM, SMRA, TFAS, TINS, WINS
15 – June	Cum Dividend	ANJT, BBMD, HATM
Friday	RUPS	ADCP, BAYU, BINA, BNBR, CASS, GGRP, HADE, IATA, KEEN, KOTA, LPPS, MMLP, MSIN, MTMH, MTSM, PCAR, PRIM, PTIS, PURA, REAL, RONY, SAGE, SING, TCPI, TIFA, UFOE, WOOD, ZBRA
16 – June	Cum Dividend	—

Source: Bloomberg



IHSG projection for 14 June 2023 :

BULLISH / KONSOLIDASI sejenak - Doji di antara area Support & Resistance dengan rentang : 6685 – 6755.

Support : 6685 / 6660 / 6600 / 6560-6550.

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

ADVISE : Wait & See ; or Average Up Accordingly.

SMRA—PT Summarecon Agung TBK



PREDICTION 14 JUNE 2023

Overview

Pattern : Inverted Head & Shoulders (bullish reversal).

Uji Support Neckline.

Advise

Speculative Buy.

Entry Level : 685.

Average Up >700

Target: 730-740 / 800 / 845.

Stoploss: 655.

SRTG—PT Saratoga Investama Sedaya TBK



PREDICTION 14 JUNE 2023

Overview

Break ke atas MA20 lagi setelah 3bulan.

Advise

Buy

Entry Level: 1670-1640

Average Up >1680

Target : 1785 / 1830-1870.

Stoploss: 1570.

WIKA—PT Wijaya Karya TBK



PREDICTION 14 JUNE 2023

Overview

Break channel downtrend.

Advise

Buy.

Entry Level: 525-510

Average UP >540

Target: 600-610 / 700-705

Stoploss: 480.

INCO—PT Vale Indonesia Tbk



PREDICTION 14 JUNE 2023

Overview

Uji Support jk.panjang

RSI positive divergence.

Uji Resistance ketiga MA.

Advise

Speculative Buy

Entry Level: 6450.

Average UP >6500-6600

Target : 6700-6725 / 6875 / 7000 / 7125-7250.

Stoploss : 6225.

EXCL—PT XL Axiata Tbk



PREDICTION 14 JUNE 2023

Overview

Pattern (short-term) : Inverted Head & Shoulders (bullish reversal) ; uji Support Neckline.

Pattern (mid-term) : Parallel Channel (downtrend).

Advise

Speculative Buy

Entry Level: 2050-2020.

Average Up > 2100-2130

Target: 2170 / 2240 / 2360.

Stoploss: 1970.

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