

## Weekly Brief (June 12 – 16, 2023)

### Summary:

#### Last week review:

**The US, which is entering a quiet period ahead of the FOMC Meeting that will begin tomorrow, June 13,** managed to stay in positive territory on a weekly basis with the S&P500 rising 0.38%, extending its upside week for the fourth time and the longest since July-August 2022. The Nasdaq even chalked up its 7th consecutive week of gains and closed last week with 0.13% growth. Meanwhile, the Dow Jones managed to crawl up 0.33% last week on the back of a rally in mega-cap stocks (especially in the Technology sector, which was boosted by falling sovereign bond yields), better-than-expected earnings season results; and above all, most market participants' expected that the US central bank is nearing the end of its interest rate hike trend. The CBOE Volatility Index, which measures the concerns of stock market investors, fell to its lowest point since the pandemic. Even traders have priced in a 72% chance that the Federal Reserve will hold the Fed Funds Rate at 5%-5.25% at the June 14 FOMC Meeting decision, as reported by the CME Group FedWatch Tool. The threat of global recession and the threat of stubborn inflation is still haunting. This is based on the US PMI (May) figures which are still contracting, Factory Orders (Apr) which are weakening, Initial Jobless Claims which rose to a 20-month high. The picture of a future world on the brink of recession is also felt in continental Europe, as evidenced by the PMI (May) reports for their three main regions namely Germany, the UK, and the Eurozone which are all still struggling to stay on the path of expansion. Even the World Bank is in unison by releasing the latest negative outlook for the global economy with the release of the Global Economic Prospect (GEP) June 2023 edition, where global economic growth in 2023 is projected to grow 2.1%. If this happens, then this year's economic growth will slow down from 2022, which was 3.1%. Meanwhile, in 2024 global economic growth is expected to reach 2.4%. **The global economic slowdown cloud was further emphasized by Trade Balance (May) figures from two of the world's strongest countries, China & the US,** where China released their Trade Balance (May) surplus figures which fell short of expectations. China's Exports & Imports contracted by 7.5% & 4.5% yoy respectively. While the US also announced Trade Balance (Apr.) which recorded a deficit of USD 74.6 billion, swelling from the previous period at USD 60.6 billion. So far, China is still struggling to fulfill its role as a booster of global economic growth since their re-opening. On the other hand, there was good news from the Chinese Composite PMI that managed to expand to 55.6 higher than the previous period's 52.9, supported by their service sector. Sadly, China's CPI (May) which is a benchmark of domestic demand & purchasing power did not bounce back and instead still in deflation at -4.6%. **Interestingly, JCI also managed to jump 0.92% last week,** securing IDR 81.54 billion worth of foreign net buy; increasing Foreign Net Buy to IDR 2.92 trillion on monthly basis and IDR 20.68 trillion on YTD basis. Indonesia's economic growth sentiment seems to be much better than most of the world, as evident from the significant increase in foreign tourist numbers in April 2023, and the Inflation rate (May) falling to a 12-month low of 4%, from 4.33% in April. Indonesia released its Foreign Exchange Reserves (May) report which fell to USD 139.3 billion, compared to April's USD 144.2 billion. During this week, the Rupiah exchange rate position is still settled at the psychological level of IDR 15000, closed at IDR 14835/USD last week.

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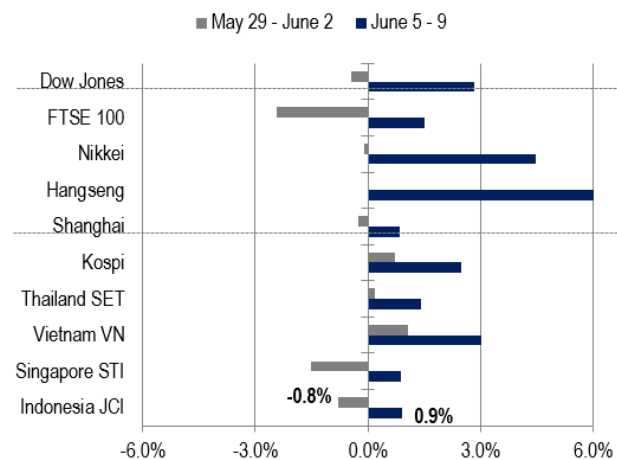
### **This week's outlook:**

**This week is predicted as a week that will bring many significant economic reports**, as we await the Federal Reserve's decision on whether to continue the upward trend in interest rates that has started since 15 months ago, or to begin slowing down. US will also monitor Inflation data (May) which will be a key determinant of the decision. Market expects to see US CPI able to slope back in May although Core Inflation will not shift much; and certainly still not enter the Fed's targeted safe limit of 2%. The US economic calendar will also bring producer-level Inflation data, retail sales figures for May, and not forgetting the weekly Initial Jobless Claims. **The European Central Bank & Bank of Japan will also hold meetings related to monetary policy**, where the ECB is predicted to again set their interest rate hike by 25bps. As a reminder, the Eurozone Inflation rate is still at 6.1%, about three times the ECB's safe target of 2%; although it has successfully slipped from its peak of 10.6% last October. Meanwhile, the world will still set its eyes on China's economic report which will release the following data: new home prices, employment, industrial production, and retail sales all for the month of May, with the hope that the momentum of economic improvement after the Covid pandemic could be more vibrant. **Domestically, Indonesia will monitor Consumer Confidence (May), Retail Sales, Trade Balance (May)** where the surplus is predicted to weaken to USD 3.2 billion from USD 3.94 billion in April affected by signs of a global economic slowdown.

JCI Index : 6,694.02 (+0.9%)  
Foreign Flow : Net Sell of IDR 208 Billion (Vs. last week's net buy of IDR 1.4 Trillion)  
USD/IDR : 14,840 (-1.02%)

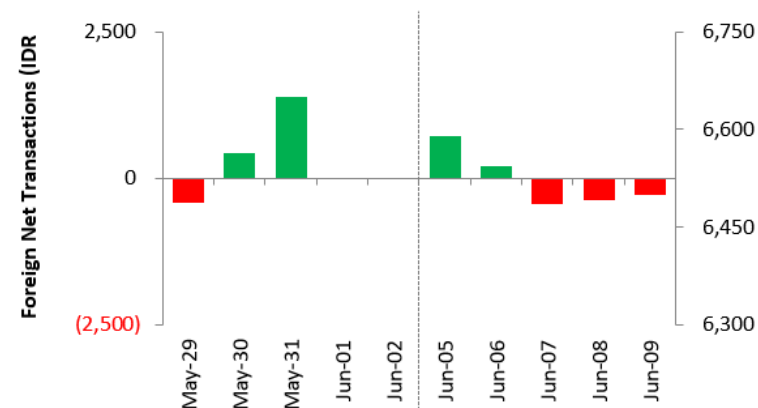
# Last Week's JCI Movement

## Global Market Movement



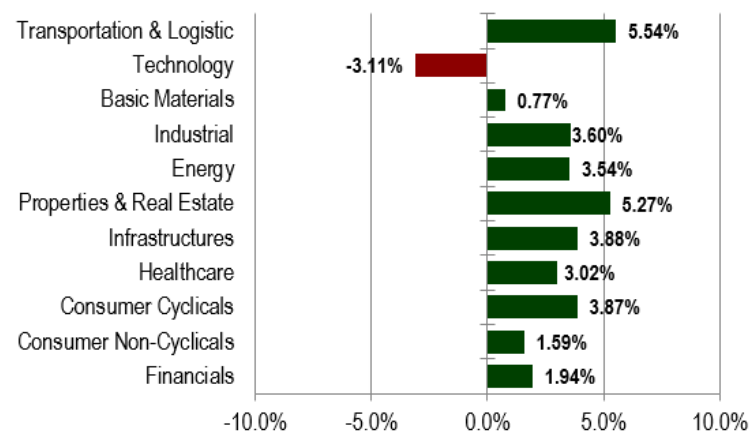
Source: Bloomberg, NHKSI Research

## Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

## JCI Sector Movement



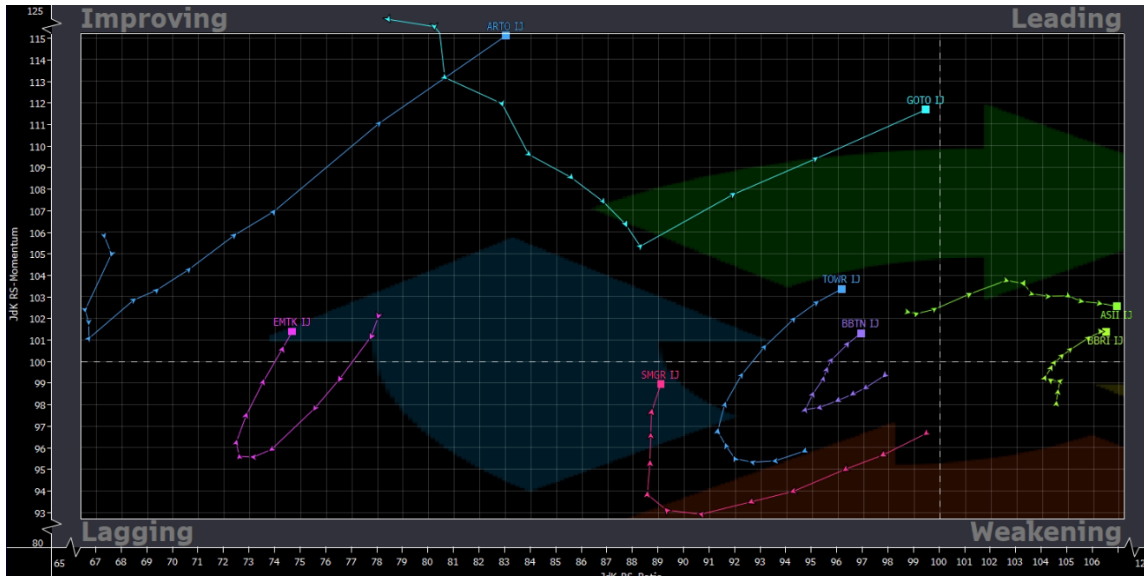
Source: Bloomberg, NHKSI Research

## JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
ICBP	293,278	BMRI	545,440
FILM	214,299	BBRI	299,605
GOTO	181,907	PGAS	176,542
ISAT	174,112	NCKL	136,586
ASII	162,140	BTPS	102,188

Source: Bloomberg, NHKSI Research

# Stocks Recommendation



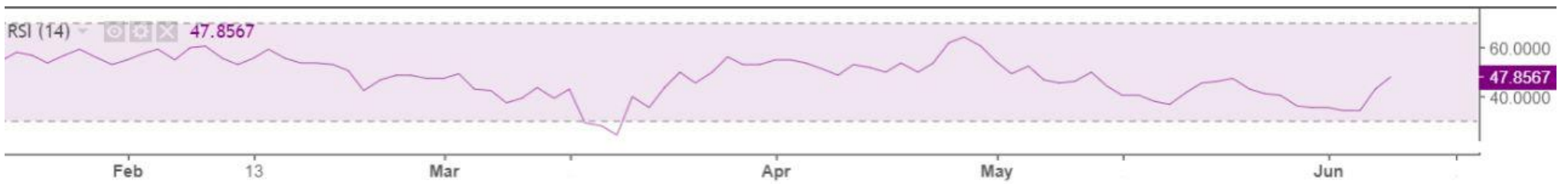
Source: Bloomberg, NHKSI Research

Stocks	TP	SL
ASII	7000-7100 / 7225 / 7350 / 7600	6500
BBRI	5600 / 6000-6100	5300
BBTN	1370 / 1415-1430	1270
EMTK	700-710 / 800 / 850	590
ARTO	3350 / 3750 -3850 / 4000	2970
GOTO	137 / 147-152	116
SMGR	6175-6225 / 6475-6500	5850
TOWR	1055 / 1075 / 1125	995

Source: Bloomberg, NHKSI Research

# JCI Index

Support	6660 / 6600 / 6560-6550	Resistance	6700-6735 / 6750-6765 / 6950-6960 / 7000-7040
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Source: NHKSI Research, Bloomberg

## Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
<b>Monday</b>	ID	—	Consumer Confidence Index	May	—	126.1
<i>12 – June</i>	GE	—	Wholesale Price Index YoY	May	—	-0.5%
<b>Tuesday</b>	US	19:30	CPI YoY	May	4.1%	4.9%
<i>13 – June</i>	GE	13:00	CPI YoY	May F	6.1%	6.1%
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Jun 9	—	-1.4%
<i>14 – June</i>	US	19:30	PPI Final Demand MoM	May	-0.1%	0.2%
<b>Thursday</b>	US	01:00	FOMC Rate Decision (Upper Bound)	Jun 14	5.25%	5.25%
<i>15 – June</i>	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%
<b>Friday</b>	US	21:00	U. of Mich. Sentiment	Jun P	60.0	59.2
<i>16 – June</i>	JP	—	BoJ Policy Balance Rate	Jun 16	—	-0.1%

Source: Bloomberg, NHKSI Research

## Corporate Action Calendar

Date	Event	Company
<b>Monday</b>	RUPS	ASPI, BDKR, BRPT, CPDW, JECC, KING, MPOW, PSAB, SIPD, VAST
12 – June	Cum Dividend	AGII, CLEO, HRTA, MEDC, PUDP, SMKL, SWID, TBIG, TSPC
<b>Tuesday</b>	RUPS	BATA, BKSL, BOLT, BTON, EKAD, ENAK, GDST, KBLI, MASA, MYOR, POLI, POLL, P OLU, RSGK, SAME, SOFA, SONA, UNIC, ZONE
13 – June	Cum Dividend	BUAH, FWCT, KBLM, MDKI, PGEO, SGER, SRSN
<b>Wednesday</b>	RUPS	ADFO, COAL, DEWA, DIVA, EMTK, HILL, JTPE, KOBX, LTLS, MCAS, NFCX, OILS, P ADI, PEVE, SCMA, WIFI
14 – June	Cum Dividend	AKPI, BRAM, ELSA, PSSI, SCCO, SCPI, SMAR
<b>Thursday</b>	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, P TDU, SMKM, SMRA, TFAS, TINS, WINS
15 – June	Cum Dividend	ANJT, BBMD, HATM
<b>Friday</b>	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, T IFA, UFOE, WOOD, ZBRA
16 – June	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>							3,567.1							
BBCA	9,100	8,550	10,050	Overweight	10.4	23.8	1,121.8	25.3x	5.3x	21.8	2.3	22.1	44.6	0.9
BBRI	5,425	4,940	6,000	Overweight	10.6	23.3	822.2	15.0x	2.9x	19.8	5.3	10.3	28.8	1.1
BBNI	9,225	9,225	12,000	Buy	30.1	11.1	172.0	8.8x	1.2x	14.7	4.3	12.5	31.6	1.3
BMRI	5,125	4,963	6,300	Buy	22.9	25.4	478.3	10.9x	2.2x	21.2	5.2	16.0	25.1	1.3
<b>Consumer Non-Cyclicals</b>							1,214.0							
ICBP	11,375	10,000	13,000	Overweight	14.3	33.8	132.7	20.1x	3.3x	17.3	1.9	11.4	104.2	0.4
UNVR	4,550	4,700	4,850	Overweight	6.6	(4.2)	173.6	36.5x	32.5x	81.0	3.4	(2.2)	(30.2)	0.5
MYOR	2,730	2,500	2,900	Overweight	6.2	66.0	61.0	25.7x	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	1,220	1,295	1,300	Overweight	6.6	(14.1)	14.3	25.0x	1.1x	4.5	4.1	(3.2)	N/A	0.7
AALI	7,325	8,025	9,200	Buy	25.6	(33.4)	14.1	9.6x	0.6x	6.8	5.5	(27.7)	(53.5)	1.0
<b>Consumer Cyclicals</b>							387.2							
ERAA	510	392	600	Buy	17.6	2.0	8.1	8.5x	1.2x	14.2	4.5	28.9	(21.1)	0.8
MAPI	1,900	1,445	2,000	Overweight	5.3	105.4	31.5	15.7x	3.7x	27.1	N/A	32.5	(30.6)	0.7
<b>Healthcare</b>							289.4							
KLBF	2,050	2,090	2,300	Overweight	12.2	26.2	96.1	27.9x	4.5x	16.4	1.9	12.2	3.1	0.4
SIDO	765	755	1,000	Buy	30.7	(21.5)	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	4.2	38.9	39.3x	6.7x	17.9	1.4	(6.0)	(14.5)	0.2
<b>Infrastructure</b>							891.32							
TLKM	4,150	3,750	5,000	Buy	20.5	3.2	411.1	19.5x	3.0x	16.0	4.0	2.5	5.0	0.8
JSMR	3,770	2,980	5,100	Buy	35.3	(4.1)	27.4	9.6x	1.2x	13.2	2.0	21.2	34.3	0.8
EXCL	2,050	2,140	3,800	Buy	85.4	(19.9)	26.9	19.2x	1.0x	5.1	2.0	11.9	23.1	0.8
TOWR	1,015	1,100	1,300	Buy	28.1	10.3	51.8	15.2x	3.3x	23.8	2.4	9.4	(11.8)	0.3
TBIG	2,120	2,300	2,390	Overweight	12.7	(24.6)	48.0	30.7x	4.1x	14.5	1.7	(1.4)	(25.6)	0.4
MTEL	645	800	865	Buy	34.1	(8.5)	53.9	30.7x	1.6x	5.3	3.3	9.9	9.1	N/A
WIKA	496	800	1,280	Buy	158.1	(47.0)	4.4	N/A	0.4x	(4.6)	N/A	37.4	N/A	1.2
PTPP	580	715	1,700	Buy	193.1	(38.0)	3.6	12.8x	0.3x	2.5	N/A	1.9	20.0	1.1

Source : Bloomberg, NH KSI Research



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<b>Property &amp; Real Estate</b>							259.0							
CTRA	1,175	940	1,500	Buy	27.7	25.0	21.8	11.8x	1.2x	10.2	1.2	(4.6)	(4.3)	0.9
PWON	500	456	690	Buy	38.0	4.2	24.1	13.7x	1.3x	10.3	0.8	5.9	60.5	1.1
<b>Energy</b>							1,039.3							
PGAS	1,430	1,760	1,770	Buy	23.8	(14.9)	34.7	7.7x	0.9x	10.9	9.9	11.6	(20.0)	0.9
PTBA	3,380	3,690	4,900	Buy	45.0	(13.8)	38.9	3.4x	1.3x	41.1	20.4	21.4	(48.9)	1.0
ADRO	2,190	3,850	3,900	Buy	78.1	(36.2)	70.0	1.8x	0.7x	46.2	22.2	50.1	15.3	1.3
<b>Industrial</b>							446.9							
UNTR	23,075	26,075	32,000	Buy	38.7	(28.3)	86.1	3.9x	0.9x	27.2	30.3	24.7	26.6	0.9
ASII	6,800	5,700	8,000	Buy	17.6	(1.8)	275.3	8.9x	1.4x	16.3	9.4	15.5	27.2	1.1
<b>Basic Ind.</b>							930.7							
SMGR	5,925	6,575	9,500	Buy	60.3	(13.9)	40.0	15.0x	0.9x	6.1	4.1	4.5	(2.1)	0.8
INTP	9,625	9,900	12,700	Buy	31.9	2.4	35.4	16.3x	1.7x	10.0	1.7	19.3	109.8	0.8
INCO	6,350	7,100	8,200	Buy	29.1	(14.2)	63.1	18.4x	1.7x	9.9	1.4	54.5	45.6	1.2
ANTM	1,975	1,985	3,450	Buy	74.7	(13.8)	47.5	11.8x	1.9x	16.9	2.0	18.9	13.5	1.4

Source : Bloomberg, NH KSI Research

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