

Weekly Brief (June 19 – 23, 2023)

Summary:

Last week review:

Market participants responded positively to the success of the US Federal Reserve to keep their benchmark interest rate at 5%-5.25% at the FOMC Meeting last week. It was proven that during the past week the S&P 500 rose 2.6% (recorded as the fifth consecutive week), while the Dow added 1.2% and the Nasdaq soared 3.2% (an increase in the 8th consecutive week, and the longest weekly increase since March 2019). As a result, the S&P500 and Nasdaq reached their highest points since April 2022, supported by the Technology sector. The rally extended to Energy & Industrial sectors, as economic data showed that the US economy remains strong despite the upward trend in interest rates, meaning a soft landing was achieved; plus China cut its short-term interest rates to boost its economy. However, the Fed is still signaling a hawkish view that the benchmark rate could still rise another 50 bps (or two more times) by the end of the year, to a range of 5.5% - 5.75%. **The Europe also reported Inflation levels** that were safely under control, as evidenced by German CPI (May) coming in at 6.1% yoy, successfully easing from April at 7.2%. The Europe also reported Inflation levels that were safely contained, as evidenced by German CPI (May) coming in at 6.1% yoy, successfully easing from April at 7.2%. The UK reported GDP (Apr.) at 0.5% yoy, falling below expectations of 0.6% although it was actually up from the previous month at 0.3%. The European Central Bank raised interest rates for the eighth consecutive time by 25 bps, bringing the deposit rate to 3.5% and the borrowing cost to 4%. Lastly, the Eurozone Inflation rate in May was released down to an expected 6.1%, managing to ease from 7.0% in the previous month. Similarly, their Core CPI for May managed to tame to 5.3%, from 5.6% in April. **Indonesia announced that the Consumer Confidence Index (May) rose** to 128.3 from 126.1 in April; indicating a growing optimism towards the Indonesian economy. BPS noted that Indonesia's trade balance returned to surplus in May 2023 amounting to USD 440 million. It was the 37th consecutive month of surplus, but the lowest amount since May 2020. Nevertheless, Exports & Imports scored a positive report with a significant increase above expectations, by 1% and 14.35% yoy respectively, signaling Indonesia is resistant to recession. Technically, JCI is still stuck between MA10 & MA20 Support, and still needs more motivation in trying to break the crucial Resistance 6735-6785 and MA50.

Weekly Brief (June 19 – 23, 2023)

This week's outlook:

This week will be filled with other countries' central banks following the Federal Reserve's move in determining their interest rates. China is expected to cut their benchmark interest rates by 10 bps to 3.55% (deposit rate) and 4.2% (lending rate) in their latest move to boost the economy & move away from deflation. This move is expected to keep the Chinese Yuan depressed at its lowest point in 7 months. After China, the central banks of Indonesia and Philippines will also hold monetary policy meetings on Thursday; where both are expected to hold interest rates in place (Indonesia at 5.75%. and Philippines at 6.25%). Lastly, the Bank of England will decide whether to raise their benchmark interest rate by 25 bps to 4.75%, after they release Inflation data (May) on Wednesday where it is estimated that Inflation managed to ease to 8.5% yoy, from 9.7% in the previous month. **The Asian continent has also been quite a story lately** where Japanese stocks have surged 20% in two months and are at a 33-year high, while the MSCI Asia ex-Japan index last week surged 3%, the best week since January. Other potential market-moving events from the region will arrive later in the week including Japan's Inflation data for May which is due for release on Friday. The annualized core CPI rate is expected to fall to 3.1% from 3.4% in April. The Bank of Japan last week left its ultra-loose policy unchanged and signaled it was in no rush to change its dovish stance even though inflation has exceeded the BOJ's 2% target for over a year.

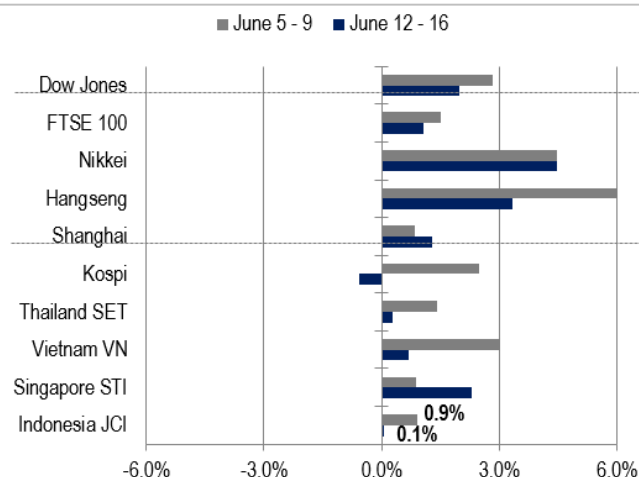
JCI Index : 6,698.55 (+0.1%)

Foreign Flow : Net Sell of IDR 2.6 Trillion (Vs. last week's net sell of IDR 208 Billion)

USD/IDR : 14,935 (0.64%)

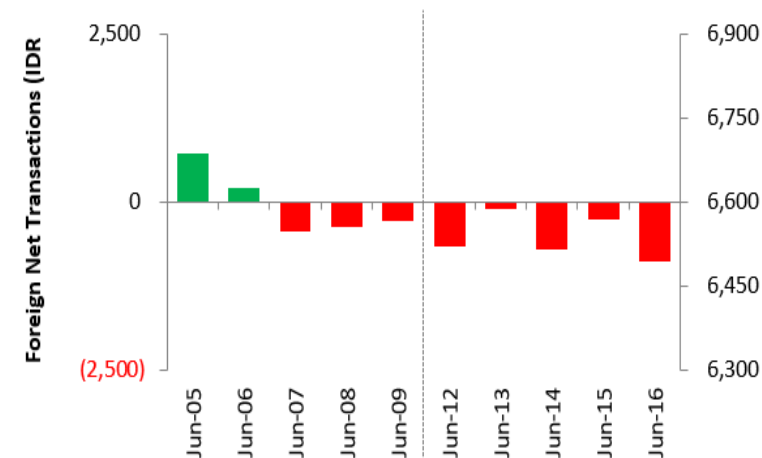
Last Week's JCI Movement

Global Market Movement



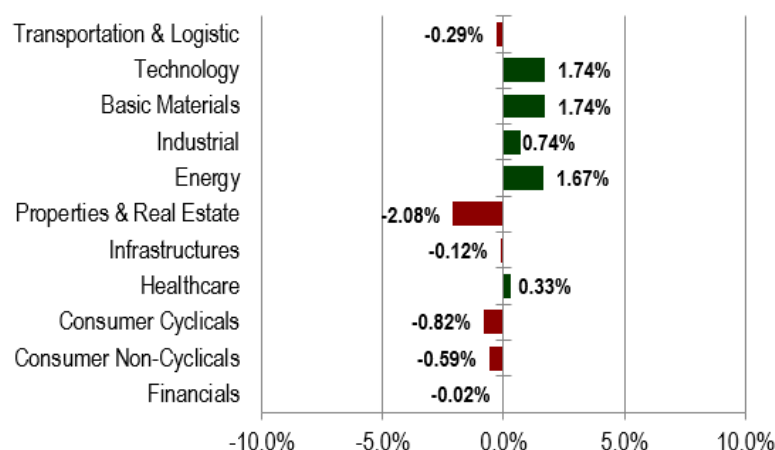
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



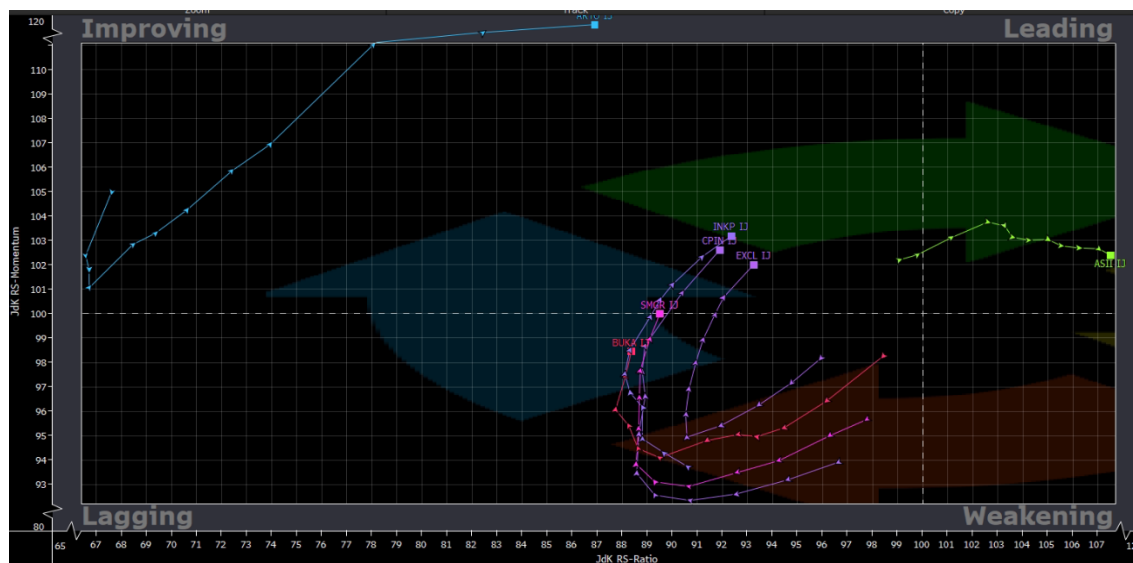
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
ISAT	200,493	BBCA	613,838
ASII	141,770	TLKM	481,290
ICBP	124,372	BMRI	349,450
BBRI	112,909	PTBA	201,635
KLBF	23,598	BBNI	199,436

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
ARTO	3250 / 3370	2870
ASII	7000 / 7125	6675
EXCL	2130-2160 / 2240 / 2360	1980
CPIN	5925-6000	4970
SMGR	6475-6550 / 6800 / 7000 / 7200	5900
BUKA	246 / 268 / 280-284	206
INKP	8275 / 8625 / 8975 -9000	7300

Source: Bloomberg, NHKSI Research

JCI Index

Support	6685-6680 / 6660 / 6600-6550	Resistance	6735-6765 / 6950-6960 / 7000-7040
---------	------------------------------	------------	-----------------------------------



Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
Monday	US	21:00	NAHB Housing Market Index		51	50
19 – June	JP	12:00	Tokyo Condominium for Sales YoY	May	—	-30.3%
Tuesday	US	19:30	Building Permits	May	1430K	1416K
20 – June	US	19:30	Housing Starts	May	1400K	1401K
	JP	11:30	Industrial Production MoM	Apr F	—	-0.4%
Wednesday	US	18:00	MBA Mortgage Applications	Jun 16	—	7.2%
21 – June	KR	04:00	PPI YoY	May	—	1.6%
Thursday	US	19:30	Initial Jobless Claims	Jun 17	—	262K
22 – June	US	21:00	Existing Home Sales	May	4.25 Mn	4.28 Mn
	US	21:00	Leading Index	May	-0.8%	-0.6%
	ID	14:20	Bank Indonesia 7D Reverse Repo	Jun 21	5.75%	5.75%
Friday	US	20:45	S&P Global US Manufacturing PMI	Jun P	48.5	48.4
23 – June	GE	14:30	HCOB Germany Manufacturing PMI	Jun P	43.0	43.2
	JP	06:30	Natl CPI YoY	May	3.2%	3.5%
	JP	07:30	Jibun Bank Japan PMI Mfg	Jun P	—	50.6

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	ACST, AMAN, ARCI, ARGO, BBLD, BELI, BMHS, BMTR, BOGA, BPTR, CUAN, DGNS, DMAS, FIRE, FR EN, JAYA, LFLO, OLIV, PANI, PNIN, PNLF, PPGL, SHID, TALF, ULTJ, WINE
19 – June	Cum Dividend	DEPO, HMSP, MTLA, SGRO, SKBM
Tuesday	RUPS	ALDO, AMAR, BBRM, BLTA, BRNA, CBPE, CHIP, CRAB, FORU, IFII, IPTV, KIAS, KOIN, KOPI, MAPA, MAPI, MICE, MIRA, MSKY, NANO, OBMD, OKAS, PEGE, POLA, RDTX, RMKE, SAPX, SDMU, SHIP, TRIN
20 – June	Cum Dividend	BRPT
Wednesday	RUPS	ACES, ADES, ASMI, ATIC, AXIO, BANK, BEKS, CAMP, CARE, CLAY, CNKO, DPNS, DSFI, ESTI, FAPA, GE MA, IKAN, INDS, INOV, IPCM, KIJA, KKG, LAJU, LEAD, MDKA, MFMI, MKPI, NPGF, PALM, PNBS, RI CY, SATU, SMDM, SNLK, SOCI, TNCA, TOPS, TRON
21 – June	Cum Dividend	BOLT, EKAD, ENAK, KBLI, MASA, MYOR, RSGK
Thursday	RUPS	AMAG, AMFG, ARKA, ASJT, ASRM, BESS, BIRD, BLTZ, BTPN, CFIN, CITY, CMNT, DFAM, DGIK, DVLA, FAST, GEMS, GPRA, GULA, HDFA, IRR, JAST, KIOS, KREN, LABA, LSIP, MBTO, OASA, OCAP, PBRX, PNB, PYFA, SAFE, SIMP, SLIS, SRAJ, TRJA, UNVR
22 – June	Cum Dividend	HILL, JTPE
Friday	RUPS	ALKA, BKDP, BLUE, BOSS, DIGI, FMII, ICBP, IDPR, INDF, INTA, INTD, KLIN, LMPI, LRNA, LUCK, MPRO, MYTX, OPMS, PANS, PMJS, PORT, RUIS, SOHO, STTP, SWAT, TECH, VOKS, VRNA, YPAS
23 – June	Cum Dividend	—

Source: NHKSI Research

NHKSII 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
Finance							3,582.9							
BBCA	9,050	8,550	10,050	Overweight	11.0	20.7	1,115.6	25.2x	5.3x	21.8	2.3	22.1	44.6	0.9
BBRI	5,550	4,940	6,000	Overweight	8.1	27.0	841.2	15.4x	3.0x	19.8	5.2	10.3	28.8	1.1
BBNI	9,025	9,225	12,000	Buy	33.0	10.4	168.3	8.6x	1.2x	14.7	4.4	12.5	31.6	1.3
BMRI	5,150	4,963	6,300	Buy	22.3	27.6	480.7	11.0x	2.2x	21.2	5.1	16.0	25.1	1.3
Consumer Non-Cyclicals							1,202.3							
ICBP	11,200	10,000	13,000	Buy	16.1	31.0	130.6	19.8x	3.3x	17.3	1.9	11.4	104.2	0.4
UNVR	4,390	4,700	4,850	Overweight	10.5	(5.6)	167.5	35.2x	31.3x	81.0	3.5	(2.2)	(30.2)	0.5
MYOR	2,720	2,500	2,900	Overweight	6.6	57.7	60.8	25.6x	4.6x	19.1	0.8	11.4	135.7	0.7
CPIN	5,200	5,650	5,500	Overweight	5.8	3.5	85.3	43.0x	3.2x	7.5	2.1	1.9	(79.5)	0.5
JPFA	1,240	1,295	1,300	Hold	4.8	(11.1)	14.5	25.4x	1.1x	4.5	4.0	(3.2)	N/A	0.7
AALI	7,575	8,025	9,200	Buy	21.5	(24.6)	14.6	9.9x	0.7x	6.8	5.3	(27.7)	(53.5)	1.0
Consumer Cyclicals							386.3							
ERAA	486	392	600	Buy	23.5	(1.6)	7.8	8.1x	1.1x	14.2	4.7	28.9	(21.1)	0.8
MAPI	1,800	1,445	2,000	Overweight	11.1	105.7	29.9	14.9x	3.5x	27.1	N/A	32.5	(30.6)	0.7
Healthcare							291.4							
KLBF	2,100	2,090	2,300	Overweight	9.5	29.2	98.4	28.6x	4.6x	16.4	1.8	12.2	3.1	0.4
SIDO	735	755	1,000	Buy	36.1	(23.4)	22.1	19.9x	7.1x	35.8	5.0	3.0	1.8	0.6
MIKA	2,670	3,190	3,000	Overweight	12.4	(1.1)	38.0	38.4x	6.6x	17.9	1.4	(6.0)	(14.5)	0.2
Infrastructure							875.34							
TLKM	3,970	3,750	5,000	Buy	25.9	(3.6)	393.3	18.7x	2.9x	16.0	4.2	2.5	5.0	0.8
JSMR	3,940	2,980	5,100	Buy	29.4	4.0	28.6	10.0x	1.3x	13.2	1.9	21.2	34.3	0.8
EXCL	2,020	2,140	3,800	Buy	88.1	(13.3)	26.5	18.9x	1.0x	5.1	2.1	11.9	23.1	0.8
TOWR	1,005	1,100	1,370	Buy	36.3	9.8	51.3	15.0x	3.3x	23.8	2.4	9.4	(11.8)	0.3
TBIG	2,030	2,300	2,390	Buy	17.7	(30.5)	46.0	29.4x	3.9x	14.5	1.7	(1.4)	(25.6)	0.4
MTEL	670	800	865	Buy	29.1	(6.3)	56.0	31.9x	1.6x	5.3	3.2	9.9	9.1	N/A
WIKA	505	800	1,280	Buy	153.5	(44.8)	4.5	N/A	0.4x	(4.6)	N/A	37.4	N/A	1.2
PTPP	585	715	1,700	Buy	190.6	(36.4)	3.6	12.9x	0.3x	2.5	N/A	1.9	20.0	1.1

Source : Bloomberg, NHKSII Research

NHKS Stock 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
Property & Real Estate							255.9							
CTRA	1,125	940	1,500	Buy	33.3	25.7	20.9	11.3x	1.1x	10.2	1.2	(4.6)	(4.3)	0.9
PWON	490	456	690	Buy	40.8	-	23.6	13.4x	1.3x	10.3	0.8	5.9	60.5	1.1
Energy							1,085.3							
PGAS	1,310	1,760	1,770	Buy	35.1	(27.2)	31.8	7.0x	0.8x	10.9	10.8	11.6	(20.0)	0.9
PTBA	3,820	3,690	4,900	Buy	28.3	2.4	44.0	3.8x	1.5x	41.1	18.0	21.4	(48.9)	1.0
ADRO	2,320	3,850	3,900	Buy	68.1	(20.5)	74.2	1.9x	0.7x	46.2	21.0	50.1	15.3	1.3
Industrial							448.8							
UNTR	22,900	26,075	32,000	Buy	39.7	(20.5)	85.4	3.8x	0.9x	27.2	30.6	24.7	26.6	0.9
ASII	6,850	5,700	8,000	Buy	16.8	(1.4)	277.3	9.0x	1.4x	16.3	9.3	15.5	27.2	1.1
Basic Ind.							952.0							
SMGR	6,000	6,575	9,500	Buy	58.3	(11.8)	40.5	15.2x	0.9x	6.1	4.1	4.5	(2.1)	0.8
INTP	9,750	9,900	12,700	Buy	30.3	5.4	35.9	16.5x	1.7x	10.0	1.6	19.3	109.8	0.8
INCO	6,600	7,100	8,200	Buy	24.2	(4.3)	65.6	19.0x	1.8x	9.9	1.4	54.5	45.6	1.2
ANTM	2,060	1,985	3,450	Buy	67.5	(2.4)	49.5	12.3x	2.0x	16.9	1.9	18.9	13.5	1.4

Source : Bloomberg, NHKSI Research

PT NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

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 9127E leonard

ol.lijuwardi@nhsec.co.id

Research Support

Amalia Huda Nurfalah

Editor & Translator

T +62 21 5088 ext 9132

E amalia.huda@nhsec.co.id

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia

PT NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Treasury Tower 51th Floor, District 8, SC
BD Lot 28, Jl. Jend. Sudirman No. Kav 52-
53, RT.5/RW.3, Senayan, Kebayoran Bar
u, 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