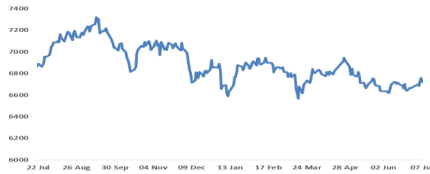


Morning Brief

Daily | July 10, 2023

JCI Movement



Today's Outlook:

The Dow Jones notched a weekly loss after closing lower 0.55%/187 points on Friday as traders weighed a weaker monthly jobs report for June (that missed estimates for the first time in 15 months), against expectations that the Federal Reserve still remains likely to resume rate hike later this month. The US economy created 209,000 jobs in June, missing the 225,000 expected and a marked decrease from the 306,000 in the prior month. That marked the weakest pace of job creation since December 2020. But average hourly earnings, or wage growth, rose 4.4% last month, topping estimates of 4.2%. While expectations for a July hike remained baked in, investors are betting that the cooling in the labor market would be enough to keep the Fed from hiking rates again in September. This expectation sent the 2-year US Treasury yield tumbling below 5%, but the yield on the longer tenor (10-year) held onto gains.

Last weekend, JCI & Asian regional markets closed in negative territory again as market participants expect the Fed to tighten monetary policy again at the July FOMC Meeting, and the potential for the US-China trade war to flare up again. As for today, China's CPI (June) data and Indonesia's Consumer Confidence Index (June) will be monitored. Considering the sentiment rolling in the market, **NHKS RESEARCH estimates that JCI will also be impacted by important economic data which becomes the focus this week, namely CPI (June) reports from several major world countries.** In order to maintain the bullish sign that appeared in the first week of July 2023, JCI needs to work hard to go through the critical Resistance area of 6745-6765. Therefore, **Advise: Wait & See, and gradual Average Up is still the wisest to apply.**

Company News

- UNTR : Boost Mineral Business and Renewable Energy
- CLEO : Increase Production Capacity at Two New Factories
- KAEF : Aiming for Thousands of Stalls in Villages

Domestic & Global News

- ESDM to Continue B40 Pilot Test in Heavy Equipment and Railway Sectors
- Janet Yellen Responds to BRICS Plan on Releasing New Currency to Challenge US Dollar

Sectors

	Last	Chg.	%
Transportation & Logistic	1918.61	-30.28	-1.55%
Energy	1817.55	-19.39	-1.06%
Technology	4743.59	-31.23	-0.65%
Finance	1414.33	-8.38	-0.59%
Property	733.68	-2.48	-0.34%
Industrial	1188.38	-4.00	-0.34%
Infrastructure	861.28	-2.48	-0.29%
Consumer Non-Cyclicals	752.44	-2.15	-0.28%
Healthcare	1477.61	-2.90	-0.20%
Consumer Cyclicals	915.60	2.81	0.31%
Basic Material	1026.00	5.00	0.49%

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)	137.50	139.30	Current Acc (USD bn)	3.00	4.54
Trd Balance (USD bn)	0.44	3.94	Govt. Spending Yoy	3.99%	-4.77%
Exports Yoy	0.96%	-29.40%	FDI (USD bn)	5.14	5.14
Imports Yoy	14.35%	-22.32%	Business Confidence	104.82	105.33
Inflation Yoy	3.52%	4.00%	Cons. Confidence*	128.30	126.10

JCI Index

July 7	6,716.46
Chg.	40.87 pts (-0.60%)
Volume (bn shares)	20.40
Value (IDR tn)	9.21
Up 230 Down 279 Unchanged 163	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
AMMN	719.1	TLKM	199.9
BMRI	669.3	ASII	195.3
BBRI	615.6	GOTO	169.4
BBCA	340.6	BOGA	149.7
ACES	278.5	MEDC	142.4

Foreign Transaction

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
AMMN	719.1	TLKM	199.9
BMRI	669.3	ASII	195.3
BBRI	615.6	GOTO	169.4
BBCA	340.6	BOGA	149.7
ACES	278.5	MEDC	142.4

(IDR bn)			
Foreign Transaction			
Buy			2,919
Sell			2,880
Net Buy (Sell)			38
Top Buy	NB Val.	Top Sell	NS Val.
ASII	55.6	BMRI	150.2
TLKM	40.5	GOTO	45.7
BBRI	38.8	ANTM	40.9
INKP	31.1	PTBA	18.8
FILM	26.7	ITMG	17.6

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.24%	0.04%
USDIDR	15,135	0.60%
KRWIDR	11.60	0.28%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,734.88	(187.38)	-0.55%
S&P 500	4,398.95	(12.64)	-0.29%
FTSE 100	7,256.94	(23.56)	-0.32%
DAX	15,603.40	74.86	0.48%
Nikkei	32,388.42	(384.60)	-1.17%
Hang Seng	18,365.70	(167.35)	-0.90%
Shanghai	3,196.61	(8.97)	-0.28%
Kospi	2,526.71	(29.58)	-1.16%
EIDO	22.92	0.10	0.44%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,925.1	14.2	0.74%
Crude Oil (\$/bbl)	73.86	2.06	2.87%
Coal (\$/ton)	138.00	(1.65)	-1.18%
Nickel LME (\$/MT)	20,804	(405.0)	-1.91%
Tin LME (\$/MT)	28,342	(188.0)	-0.66%
CPO (MYR/Ton)	3,834	(77.0)	-1.97%

UNTR : Boost Mineral Business and Renewable Energy

PT United Tractors Tbk (UNTR) plans to reduce dependence on revenue from the coal business segment. This is in line with United Tractors' commitment towards net zero emission (NZE) by 2050. Currently, the coal mining sector is the main contributor to revenue, amounting to 70% of total revenue. By 2023, the target contribution between coal and non-coal related businesses will reach 50% each. To achieve this target, UNTR will focus on the mineral mining sector and develop the new renewable energy (EBT) sector. (Kontan)

CLEO : Increase Production Capacity at Two New Factories

PT Sariguna Primatirta Tbk (CLEO) is intensifying its expansion in all lines of business. To increase production capacity, this year the Company is building two new factories in Lampung and Manado. The addition of the two new factories will increase production capacity by around 5% from the current total capacity of around 5.5 billion liters per year. (Emiten News)

KAEF : Aiming for Thousands of Stalls in Villages

A state-owned pharmaceutical company, PT Kimia Farma Tbk (KAEF) is expanding its business with the target of opening thousands of outlets in remote villages with the concept of healthy stalls. Healthy stalls are conceptualized in partnership with third parties who already have stalls, in this case, Kimia Farma collaborates with PT Retail Kita Indonesia, which has 160,000 stall networks throughout Indonesia. (Bisnis)

Domestic & Global News

ESDM to Continue B40 Pilot Test in Heavy Equipment and Railway Sectors

The Ministry of Energy and Mineral Resources (ESDM) is finalizing preparations and studies in order to implement the B40 biodiesel program, a mixture of diesel with 40% palm oil-based biofuel. Director General of New, Renewable Energy and Energy Conservation (EBTKE) Dadan Kusdiana said that his ministry will soon continue the B40 pilot test in the heavy equipment, marine vessels, agricultural equipment and machinery, as well as train sectors in the near future. Dadan said that the ministry is ensuring the readiness of producers, the adequacy of incentives, and also the supply of crude palm oil (CPO) raw materials that have been shared with the domestic food industry. Meanwhile, the realization of B35 biodiesel distribution has reached 5.6 million kl until July 6, 2023. The distribution realization has reached 42.58% of the biodiesel allocation for the mandatory B35 program, which is pegged at 13.15 million kl. Meanwhile, this year's biodiesel allocation is up 19% compared to the 2022 quota of 11.02 million kl. (Bisnis)

Janet Yellen Responds to BRICS Plan on Releasing New Currency to Challenge US Dollar

United States (US) Treasury Secretary Janet Yellen believes that even though the BRICS countries, Brazil, India, Russia and China, plan to issue new currencies, the US dollar will remain strong. Cited from Reuters, Sunday (9/7/2023), Yellen during a recent meeting with senior Chinese officials predicted that her country's currency would remain the dominant currency in international transactions. "All the data that I know shows that the dollar is very dominant, almost 90 percent, used in international transactions and I don't think that there are other alternatives that can replace it in the future," she said. For information, BRICS was first coined in 2001 by Jim O'Neill who was then working at Goldman Sachs Group Inc. The countries agreed to form a new currency, which would later beat the US dollar. The BRICS have also worked together in forums such as the World Trade Organization (WTO) and believe that their role in a US-dominated world will be greater if their voices are combined. (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							3,591.2							
BBCA	9,025	8,550	10,050	Overweight	11.4	26.2	1,112.6	25.1x	5.3x	21.8	2.3	22.1	44.6	0.9
BBRI	5,375	4,940	6,000	Overweight	11.6	28.0	814.6	14.9x	2.9x	19.8	5.4	10.3	28.8	1.1
BBNI	9,075	9,225	12,000	Buy	32.2	19.4	169.2	8.6x	1.2x	14.7	4.3	12.5	31.6	1.3
BMRI	5,150	4,963	6,300	Buy	22.3	37.8	480.7	11.0x	2.2x	21.2	5.1	16.0	25.1	1.3
AMAR	290	232	392	Buy	35.2	3.5	5.3	N/A	1.2x	(4.3)	N/A	0.7	N/A	0.9
Consumer Non-Cyclicals							1,205.4							
ICBP	11,275	10,000	13,000	Buy	15.3	19.6	131.5	19.9x	3.3x	17.3	1.7	11.4	104.2	0.4
UNVR	4,240	4,700	4,850	Overweight	14.4	(13.3)	161.8	34.0x	30.3x	81.0	3.3	(2.2)	(30.2)	0.5
MYOR	2,640	2,500	3,200	Buy	21.2	34.7	59.0	24.9x	4.4x	19.1	1.3	11.4	135.7	0.7
CPIN	5,375	5,650	5,500	Hold	2.3	(6.5)	88.1	44.4x	3.3x	7.5	2.0	1.9	(79.5)	0.5
JPFA	1,380	1,295	1,300	Underweight	(5.8)	(4.8)	16.2	28.3x	1.3x	4.5	3.6	(3.2)	N/A	0.7
AALI	7,750	8,025	9,200	Buy	18.7	(19.1)	14.9	10.2x	0.7x	6.8	5.2	(27.7)	(53.5)	1.0
Consumer Cyclicals							408.6							
ERAA	500	392	600	Buy	20.0	0.4	8.0	8.3x	1.1x	14.2	4.6	28.9	(21.1)	0.8
MAPI	1,760	1,445	2,000	Overweight	13.6	93.4	29.2	14.5x	3.5x	27.1	0.5	32.5	(30.6)	0.8
Healthcare							283.6							
KLBF	1,990	2,090	2,300	Buy	15.6	19.2	93.3	27.1x	4.3x	16.4	1.9	12.2	3.1	0.4
SIDO	730	755	1,000	Buy	37.0	(24.7)	21.9	19.7x	7.0x	35.8	5.0	3.0	1.8	0.6
MIKA	2,600	3,190	3,000	Buy	15.4	(3.7)	37.0	37.4x	6.4x	17.9	1.4	(6.0)	(14.5)	0.2
Infrastructure							879.26							
TLKM	3,960	3,750	5,000	Buy	26.3	(1.2)	392.3	18.6x	2.9x	16.0	4.2	2.5	5.0	0.8
JSMR	3,940	2,980	5,100	Buy	29.4	11.9	28.6	10.0x	1.3x	13.2	1.9	21.2	34.3	0.8
EXCL	2,060	2,140	3,800	Buy	84.5	(10.4)	27.0	19.3x	1.0x	5.1	2.0	11.9	23.1	0.8
TOWR	1,100	1,100	1,370	Buy	24.5	(6.8)	56.1	16.4x	3.6x	23.8	2.2	9.4	(11.8)	0.3
TBIG	2,000	2,300	2,390	Buy	19.5	(32.9)	45.3	29.0x	3.9x	14.5	1.8	(1.4)	(25.6)	0.4
MTEL	680	800	865	Buy	27.2	(6.2)	56.8	32.4x	1.7x	5.3	3.1	9.9	9.1	N/A
WIKA	490	800	1,280	Buy	161.2	(46.7)	4.4	N/A	0.4x	(4.6)	N/A	37.4	N/A	1.2
PTPP	600	715	1,700	Buy	183.3	(33.3)	3.7	13.2x	0.3x	2.5	N/A	1.9	20.0	1.1
Property & Real Estate							258.7							
CTRA	1,045	940	1,500	Buy	43.5	26.7	19.4	10.5x	1.0x	10.2	1.3	(4.6)	(4.3)	0.9
PWON	478	456	690	Buy	44.4	5.8	23.0	13.1x	1.3x	10.3	0.8	5.9	60.5	1.1
Energy							1,132.5							
PGAS	1,350	1,760	1,770	Buy	31.1	(13.5)	32.7	7.1x	0.8x	10.9	10.4	11.6	(20.0)	0.9
PTBA	2,770	3,690	4,900	Buy	76.9	(29.5)	31.9	2.8x	1.1x	41.1	39.5	21.4	(48.9)	1.0
ADRO	2,380	3,850	3,900	Buy	63.9	(15.9)	76.1	1.9x	0.7x	46.2	20.5	50.1	15.3	1.3
Industrial							438.8							
UNTR	23,750	26,075	32,000	Buy	34.7	(13.5)	88.6	4.0x	1.0x	27.2	29.5	24.7	26.6	0.9
ASII	6,825	5,700	8,000	Buy	17.2	14.2	276.3	9.0x	1.4x	16.3	9.4	15.5	27.2	1.1
Basic Ind.							1,086.4							
SMGR	6,425	6,575	9,500	Buy	47.9	(3.5)	43.4	16.3x	1.0x	6.1	3.8	4.5	(2.1)	0.8
INTP	10,125	9,900	12,700	Buy	25.4	10.4	37.3	17.1x	1.7x	10.0	1.6	19.3	109.8	0.8
INCO	6,325	7,100	8,200	Buy	29.6	19.3	62.8	18.0x	1.7x	9.9	1.4	54.5	45.6	1.2
ANTM	1,975	1,985	3,450	Buy	74.7	15.2	47.5	11.8x	1.9x	16.9	4.0	18.9	13.5	1.4

* Target Price

Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	US	21:00	Wholesale Inventories MoM	May F		-0.1%	-0.1%
<i>10 – July</i>	CH	08:30	CPI YoY	Jun		0.2%	0.2%
	CH	08:30	PPI YoY	Jun		-5.0%	-4.6%
	JP	06:50	BoP Current Account Balance	May		¥1900.0b	¥1895.1b
Tuesday	GE	13:00	CPI MoM	Jun F		—	0.3%
<i>11 – July</i>	GE	13:00	CPI YoY	Jun F		—	6.4%
	GE	16:00	ZEW Survey Expectations	Jul		—	-8.5
	GE	16:00	ZEW Survey Current Situation	Jul		—	-56.5
Wednesday	US	18:00	MBA Mortgage Applications	Jul 7		—	-4.4%
<i>12 – July</i>	US	19:30	CPI MoM	Jun		0.3%	0.1%
	US	19:30	CPI YoY	Jun		3.1%	4.0%
	KR	06:00	Unemployment rate SA	Jun		2.6%	2.5%
	JP	06:50	PPI YoY	Jun		4.4%	5.1%
	JP	06:50	Core Machine Orders MoM	May		1.0%	5.5%
Thursday	US	19:30	PPI Final Demand MoM	Jun		0.2%	-0.3%
<i>13 – July</i>	US	19:30	PPI Final Demand YoY	Jun		0.4%	1.1%
	US	19:30	Initial Jobless Claims	Jul 8		—	248K
	CH	—	Trade Balance	Jun		\$74.40b	\$65.81b
	KR	—	BoK 7-Day Repo Rate	Jul 13		3.5%	3.5%
Friday	US	21:00	U. of Mich. Sentiment	Jul P		65.5	64.4
<i>14 – July</i>	JP	11:30	Industrial Production MoM	May F		—	-1.6%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	BLTA
<i>10 – July</i>	Cum Dividend	ASBI, ASDM, ATAP, BEER, BIKE, BINO, BPFI, CITA, CLPI, CTRA, ECII, ERAA, ERTX, FISH, GTBO, HOKI, INDR, IPCC, ISSP, KDSI, LIFE, LION, LPGI, MNCN, NCKL, PGLI, PWON, SMDR, SMMT, SUNI, TRST, UNIQ
Tuesday	RUPS	BOSS, SBAT, YELO
<i>11 – July</i>	Cum Dividend	—
Wednesday	RUPS	—
<i>12 – July</i>	Cum Dividend	—
Thursday	RUPS	TRIS
<i>13 – July</i>	Cum Dividend	—
Friday	RUPS	MKNT, MMIX, TYRE, WOWS
<i>14 – July</i>	Cum Dividend	—

Source: Bloomberg



IHSG projection for 10 July 2023 :

KONSOLIDASI / BULLISH - Kembali turun ke bawah Support MA50 , Uji Resistance kritikal 6745-6765

Support : 6690 / 6620-6600 / 6560-6550.

Resistance : 6730-6765 / 6800-6820 / 6950-6960 / 7000-7040.

ADVISE : Wait & See; or Average Up accordingly.

EXCL—PT XL Axiata TBK



PREDICTION 10 JULY 2023

Overview

Bergerak Uptrend jk.pendek di dalam pattern PARALLEL CHANNEL.

Uji Resistance upper channel mid-term.

Advise

Speculative Buy.

Entry Level: 2060

Average Up >2080

Target: 2130 / 2240.

Stoploss: 1990.

CPIN—PT Charoen Pokphand Indonesia TBK



PREDICTION 10 JULY 2023

Overview

Uji Support lower channel (Uptrend jk.pendek) & MA10.

Advise

Speculative Buy.

Entry Level: 5375

Average Up >5600

Target : 5825-5850 / 5925-5950 / 6000.

Stoploss : 5200.

BBTN—PT Bank Tabungan Negara TBK



PREDICTION 10 JULY 2023

Overview

Bertahan di Support Trendline mid-term & short-term.
Uji Resistance MA10.

Advise

Speculative Buy.
Entry Level: 1310
Average Up >1320-1350
Target: 1410-1430.
Stoploss: 1285.

ADRO—PT Adaro Energy Indonesia Tbk



PREDICTION 10 JULY 2023

Overview

Uji Support Neckline pola CUP & HANDLE.

Advise

Buy on Weakness.
Entry Level: 2380-2350
Target : 2490-2500 / 2680-2700.
Stoploss: 2310.

TLKM—PT Telkom Indonesia Tbk



PREDICTION 10 JULY 2023

Overview

Candle : Doji di area Support Trendline mid-term.
Uji Resistance Trendline jk.pendek sekaligus MA10.

Advise

Speculative Buy.
Entry Level : 3960.
Average Up >3980-4010
Target: 4090 / 4140 / 4220 / 4400.
Stoploss: 3920.

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