

Morning Brief

Daily | July 14, 2023

JCI Movement



Today's Outlook:

US stock markets made another surge on Thursday (13/07/23), with the Nasdaq leading a gain of more than 1% for the second consecutive day, as data showed that US producer-level inflation has reached its lowest point in almost 3 years. US PPI (Jun) was released at 0.1% on both an annual and monthly basis, even on a year-on-year basis much lower than the forecast of 0.4% and 0.9% from the previous month. On the other hand, weekly jobless claims actually fell more than expected for last week where the figure came out at 237k, lower than the 250k increase expected and also from 249k in the previous week. This suggests that the labor market is still too heated for the Fed to stop raising interest rates. Nevertheless, the focus of market participants turns to monitoring the US earnings season which is about to begin, with the performance announcements of a number of major US banks due on Friday. **From the East**, South Korea announced their benchmark interest rate decision to be held at 3.5%. While China is still struggling with lower-than-expected Export & Import growth, making their Trade Balance (June) grow less than expected, only able to produce a surplus of USD70.62 billion, lower than the estimate of USD74.8 billion; although already higher than May at USD65.81 billion. Indonesia also reported weak Auto Sales (June) at 4.7%, a huge drop from May's 65.2% growth. **The West also reported that their economies were not faring any better**, with the UK reporting a decline in economic growth (May) to negative 0.4%, compared to the previous month's positive 0.5%. Industrial Production (May) also fell to -2.3% yoy (vs -1.6% in April) and Manufacturing Production (May) further increased negative growth to -1.2% yoy compared to -0.6% in April. The UK Trade Balance widened the deficit to GBP18.72 billion, instead of narrowing the deficit to GBP14.7 billion as expected. Good news emerging from another European country, France reported Inflation rate (June) eased to 4.5% yoy, compared to May at 5.1%. But overall, Industrial Production for all Euro Zone countries did record a weakening in May at -2.2% yoy compared to the previous month's slight positive 0.2%. Closing this week, the Euro zone will report Trade Balance (May) which is expected to narrow the deficit to EUR7.6 billion from EUR11.7 billion in the previous month. Meanwhile, the US will announce Consumer Expectation & Sentiment as well as views on the future economic situation & Inflation from the Univ. of Michigan tonight at around 21:00 WIB.

JCI indeed closed higher again, although it was a slight +2points but still maintaining a position above the 6800 level, where foreigners sold their Indonesian stock portfolio by almost IDR192 billion, but for the weekly position their coffers are still safe at IDR793.37 billion. Technically, the almost Doji-like candle that occurred at the new 6800s level might be a sign of consolidation for a while at the end of the week, but it is possible that the bullish stance of the past few days will still prevail. **NHKS RESEARCH advises investors to maintain a gradual Buy position to be safe.**

Company News

SILO : Strengthen IT Investment
MEDC : Expanding Various EBT Projects
TBIG : Issuing Rp1.5 Trillion Bonds

Domestic & Global News

Trade Minister Says European Anti-Deforestation Policy Will Put Indonesia at a Loss of IDR 90 Trillion
Tesla Said to Build EV Factory in India, with 500,000 Units Production Capacity

Sectors

	Last	Chg.	%
Healthcare	1555.56	32.40	2.13%
Basic Material	1045.30	8.37	0.81%
Industrial	1197.50	2.66	0.22%
Finance	1426.28	1.14	0.08%
Transportation & Logistic	1925.30	1.25	0.06%
Technology	4811.56	-4.12	-0.09%
Consumer Non-Cyclicals	759.69	-1.99	-0.26%
Energy	1835.00	-5.99	-0.33%
Infrastructure	849.70	-7.10	-0.83%
Consumer Cyclicals	912.15	-9.33	-1.01%
Property	749.54	-9.08	-1.20%

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*	127.10	128.30

JCI Index

July 13	6,810.21
Chg.	2.00 pts (+0.03%)
Volume (bn shares)	19.78
Value (IDR tn)	9.37
Up 244 Down 271 Unchanged 159	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBRI	734.2	GOTO	270.3
BBCA	597.5	ASII	212.4
BMRI	540.4	BOGA	155.5
BBNI	516.8	SMGR	149.1
TLKM	326.7	CARE	126.5

Foreign Transaction

(IDR bn)			
Buy			3,159
Sell			3,351
Net Buy (Sell)			(192)
Top Buy	NB Val.	Top Sell	NS Val.
BBCA	110.4	BBNI	301.1
KLBF	38.1	TLKM	97.1
SMGR	27.6	BMRI	40.8
AMMN	23.7	INDF	33.1
GOTO	16.8	BBRI	20.6

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.18%	-0.01%
USDIDR	14,968	-0.73%
KRWIDR	11.74	0.39%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,395.14	47.71	0.14%
S&P 500	4,510.04	37.88	0.85%
FTSE 100	7,440.21	24.10	0.32%
DAX	16,141.03	118.03	0.74%
Nikkei	32,419.33	475.40	1.49%
Hang Seng	19,350.62	489.67	2.60%
Shanghai	3,236.48	40.35	1.26%
Kospi	2,591.23	16.51	0.64%
EIDO	23.64	(0.03)	-0.13%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,960.5	3.2	0.16%
Crude Oil (\$/bbl)	76.89	1.14	1.50%
Coal (\$/ton)	128.00	(1.05)	-0.81%
Nickel LME (\$/MT)	21,294	(391.0)	-1.80%
Tin LME (\$/MT)	28,809	(260.0)	-0.89%
CPO (MYR/Ton)	3,865	(61.0)	-1.55%

SILO : Strengthen IT Investment

PT Siloam International Hospitals Tbk (SILO) is committed to investing in developing Information Technology (IT) infrastructure to improve services to patients while driving the company's performance. Currently, the Electronic Medical Record (EMR) has reached 97%, which provides integrated information about the patient's condition. Meanwhile, as of the first quarter of 2023, around 77% of prescription services have been registered in e-Prescription, and 78% of EMR has been integrated with the Radiology laboratory. (Bisnis)

MEDC : Expanding Various EBT Projects

PT Medco Energi Internasional Tbk (MEDC) is currently working on a number of renewable energy projects, ranging from geothermal projects to gas projects located in various parts of Indonesia. The President Director of MEDC said that MEDC's capital expenditure to increase its exposure in renewable energy (RNE) is indeed large in the early stages. However, after a few years, the expenditure will be smaller and should last for a long time. (Emiten News)

TBIG : Issuing Rp1.5 Trillion Bonds

Telecommunications tower issuer, PT Tower Bersama Infrastructure Tbk (TBIG) has finally completed the issuance of the Sustainable Bonds VI Tower Bersama Infrastructure Phase I Year 2023 worth IDR 1.5 trillion. Proceeds from the bond offering after deducting costs will be used for partial payment of financial obligations of TBIG entities, especially the USD 325 million Revolving Loan Facility. (Kontan)

Domestic & Global News

Trade Minister Says European Anti-Deforestation Policy Will Put Indonesia at a Loss of IDR 90 Trillion

The anti-deforestation policy imposed by the European Union makes Indonesia potentially lose trade value of around USD 6 billion or around IDR 89.7 trillion. Minister of Trade (Mendag) Zulkifli Hasan said that the regulation is very interfering and discriminatory as it is aimed at Indonesian crops, such as coffee, chocolate, palm oil, rubber, cloves, and others. Indonesia also plans to sue the European Union over the anti-deforestation rule by inviting countries that are harmed by this rule. According to him, Indonesia has the right to sue the European Union. Meanwhile, the European Union has passed the European Union Deforestation-Free Product Regulation (EUDR) on April 19, 2023 and officially took effect on May 16, 2023. This regulation regulates trade in deforestation-free commodities. (Bisnis)

Tesla Said to Build EV Factory in India, with 500,000 Units Production Capacity

Tesla Inc. is reportedly exploring investments with India to build an electric vehicle (EV) factory with a production capacity of up to 500,000 units per year. Reporting from Reuters, last Thursday, Tesla's plan to enter India was hampered after the local government refused to reduce car import taxes with a tax levy that reached 100% for electric vehicles last year. Tesla wants to export to India first to test the high demand in India before producing locally. However, Tesla changed its stance by holding a meeting with the Indian government on car and battery manufacturing incentives. The meeting between Tesla and the Indian Ministry of Commerce and Industry is in the discussion stage involving local manufacturing and exports. (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							3,640.5							
BBCA	9,125	8,550	10,050	Overweight	10.1	30.4	1,124.9	25.4x	5.3x	21.8	2.2	22.1	44.6	0.9
BBRI	5,450	4,940	6,000	Overweight	10.1	34.2	826.0	15.1x	2.9x	19.8	5.3	10.3	28.8	1.1
BBNI	8,900	9,225	12,000	Buy	34.8	23.2	166.0	8.5x	1.2x	14.7	4.4	12.5	31.6	1.3
BMRI	5,350	4,963	6,300	Buy	17.8	47.1	499.3	11.4x	2.3x	21.2	4.9	16.0	25.1	1.3
AMAR	298	232	392	Buy	31.5	2.8	5.5	N/A	1.3x	(4.3)	N/A	0.7	N/A	0.9
Consumer Non-Cyclicals							1,221.5							
ICBP	11,700	10,000	13,000	Overweight	11.1	25.8	136.4	20.7x	3.4x	17.3	1.6	11.4	104.2	0.4
UNVR	4,250	4,700	4,850	Overweight	14.1	(13.3)	162.1	34.1x	30.3x	81.0	3.3	(2.2)	(30.2)	0.5
MYOR	2,560	2,500	3,200	Buy	25.0	34.0	57.2	24.1x	4.3x	19.1	1.4	11.4	135.7	0.7
CPIN	5,400	5,650	5,500	Hold	1.9	(4.4)	88.5	44.7x	3.3x	7.5	2.0	1.9	(79.5)	0.5
JPFA	1,365	1,295	1,300	Hold	(4.8)	(6.5)	16.0	28.0x	1.3x	4.5	3.7	(3.2)	N/A	0.7
AALI	7,900	8,025	9,200	Buy	16.5	(13.4)	15.2	10.4x	0.7x	6.8	5.1	(27.7)	(53.5)	1.0
Consumer Cyclicals							411.9							
ERAA	476	392	600	Buy	26.1	(2.9)	7.6	7.9x	1.1x	14.2	4.0	28.9	(21.1)	0.8
MAPI	1,785	1,445	2,000	Overweight	12.0	110.0	29.6	14.8x	3.5x	27.1	0.4	32.5	(30.6)	0.8
Healthcare							290.0							
KLBF	2,020	2,090	2,300	Overweight	13.9	19.5	94.7	27.5x	4.4x	16.4	1.9	12.2	3.1	0.4
SIDO	725	755	1,000	Buy	37.9	(24.1)	21.8	19.6x	7.0x	35.8	5.0	3.0	1.8	0.6
MIKA	2,840	3,190	3,000	Overweight	5.6	3.3	40.5	40.9x	7.0x	17.9	1.3	(6.0)	(14.5)	0.2
Infrastructure							878.08							
TLKM	3,920	3,750	5,000	Buy	27.6	(0.5)	388.3	18.4x	2.9x	16.0	4.3	2.5	5.0	0.8
JSMR	3,780	2,980	5,100	Buy	34.9	8.9	27.4	9.6x	1.2x	13.2	2.0	21.2	34.3	0.8
EXCL	2,010	2,140	3,800	Buy	89.1	(12.6)	26.4	18.8x	1.0x	5.1	2.1	11.9	23.1	0.8
TOWR	1,080	1,100	1,370	Buy	26.9	(6.1)	55.1	16.1x	3.5x	23.8	2.2	9.4	(11.8)	0.3
TBIG	1,940	2,300	2,390	Buy	23.2	(33.1)	44.0	28.1x	3.7x	14.5	1.8	(1.4)	(25.6)	0.4
MTEL	665	800	865	Buy	30.1	(7.6)	55.5	31.7x	1.6x	5.3	3.2	9.9	9.1	N/A
WIKA	492	800	1,280	Buy	160.2	(45.6)	4.4	N/A	0.4x	(4.6)	N/A	37.4	N/A	1.2
PTPP	610	715	1,700	Buy	178.7	(31.5)	3.8	13.4x	0.3x	2.5	N/A	1.9	20.0	1.1
Property & Real Estate							272.5							
CTRA	1,070	940	1,500	Buy	40.2	28.1	19.8	10.7x	1.0x	10.2	1.4	(4.6)	(4.3)	0.9
PWON	490	456	690	Buy	40.8	10.4	23.6	13.4x	1.3x	10.3	1.3	5.9	60.5	1.1
Energy							1,180.1							
PGAS	1,340	1,760	1,770	Buy	32.1	(13.0)	32.5	7.1x	0.8x	10.9	10.5	11.6	(20.0)	0.9
PTBA	2,740	3,690	4,900	Buy	78.8	(32.0)	31.6	2.7x	1.1x	41.1	39.9	21.4	(48.9)	1.0
ADRO	2,320	3,850	3,900	Buy	68.1	(20.8)	74.2	1.9x	0.7x	46.2	21.0	50.1	15.3	1.3
Industrial							437.0							
UNTR	24,150	26,075	32,000	Buy	32.5	(14.6)	90.1	4.0x	1.0x	27.2	29.0	24.7	26.6	0.9
ASII	6,800	5,700	8,000	Buy	17.6	16.7	275.3	8.9x	1.4x	16.3	9.4	15.5	27.2	1.1
Basic Ind.							1,087.3							
SMGR	6,725	6,575	9,500	Buy	41.3	5.4	45.4	17.0x	1.0x	6.1	3.6	4.5	(2.1)	0.8
INTP	10,250	9,900	12,700	Buy	23.9	13.6	37.7	17.4x	1.8x	10.0	1.6	19.3	109.8	0.8
INCO	6,475	7,100	8,200	Buy	26.6	28.9	64.3	18.6x	1.8x	9.9	1.4	54.5	45.6	1.2
ANTM	1,990	1,985	3,450	Buy	73.4	15.7	47.8	11.9x	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	0.0%	-0.1%	-0.1%
<i>10 – July</i>	CH	08:30	CPI YoY	Jun	0.0%	0.2%	0.2%
	CH	08:30	PPI YoY	Jun	-5.4%	-5.0%	-4.6%
	JP	06:50	BoP Current Account Balance	May	¥1862.4b	¥1910.8b	¥1895.1b
Tuesday	GE	13:00	CPI MoM	Jun F	0.3%	0.3%	0.3%
<i>11 – July</i>	GE	13:00	CPI YoY	Jun F	6.4%	6.4%	6.4%
	GE	16:00	ZEW Survey Expectations	Jul	-14.7	-10.6	-8.5
	GE	16:00	ZEW Survey Current Situation	Jul	-59.5	-62.0	-56.5
Wednesday	US	18:00	MBA Mortgage Applications	Jul 7	0.9%	—	-4.4%
<i>12 – July</i>	US	19:30	CPI MoM	Jun	0.2%	0.3%	0.1%
	US	19:30	CPI YoY	Jun	3.0%	3.1%	4.0%
	KR	06:00	Unemployment rate SA	Jun	2.6%	2.6%	2.5%
	JP	06:50	PPI YoY	Jun	4.1%	4.4%	5.1%
	JP	06:50	Core Machine Orders MoM	May	-7.6%	1.0%	5.5%
Thursday	US	19:30	PPI Final Demand MoM	Jun	0.1%	0.2%	-0.3%
<i>13 – July</i>	US	19:30	PPI Final Demand YoY	Jun	0.1%	0.4%	1.1%
	US	19:30	Initial Jobless Claims	Jul 8	237K	250K	248K
	CH	—	Trade Balance	Jun	\$70.62b	\$74.90b	\$65.81b
	KR	—	BoK 7-Day Repo Rate	Jul 13	3.5%	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 14 July 2023 :

BULLISH - Doji di level 68xx could be a sign for brief consolidation.

Support : 6765-6745 / 6740-6710 / 6620-6600 / 6560-6550.

Resistance : 6835 / 6950-6960 / 7000.

ADVISE : Buy ; or Average Up accordingly.

HRUM—PT Harum Energy TBK



PREDICTION 14 JULY 2023

Overview

Uji Support MA20 & Trendline jk.pendek.

Dari pattern PARALLEL CHANNEL – Downtrend yg sudah break sebelumnya, ada TARGET ke 1830.

Advise

Buy on Weakness

Entry Level : 1525-1505

Average Up >1565

Target: 1620-1645 / 1800-1830

Stoploss: 1495.

UNTR—PT United Tractors TBK



PREDICTION 14 JULY 2023

Overview

Uji Resistance MA50 & upper channel

Advise

Speculative Buy

Entry Level: 24150

Average Up >24600.

Target : 25000 / 25500 / 26000 / 26900-27000.

Stoploss: 23700.

ADHI—PT Adhi Karya TBK



PREDICTION 14 JULY 2023

Overview

**Break resistance MA10 & MA20.
On the way menuju TARGET dari pattern FALLING WEDGE.**

Advise

**Buy.
Entry Level: 474-464
Average Up >476
Target: 500-505 / 535.
Stoploss: 450.**

INDY—PT Indika Energy Tbk



PREDICTION 14 JULY 2023

Overview

Doji di support MA10 & lower channel (Uptrend).

Advise

**Speculative Buy.
Entry Level: 2030
Average Up >2040
Target: 2100-2120 / 2250-2300
Stoploss: 1970.**

INTP—PT Indocement Tunggal Prakarsa Tbk



PREDICTION 14 JULY 2023

Overview

**Break Resistance Trendline mid-term.
On the way menuju TARGET pola DOUBLE BOTTOM.**

Advise

**Buy.
Entry Level: 10250
Average Up >10325
Target : 10400-10500 / 10800-10900 / 11500-11800
Stoploss : 9975.**

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