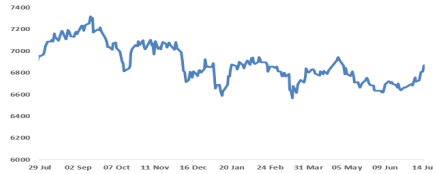


Morning Brief

Daily | July 17, 2023

JCI Movement



Today's Outlook:

Here are Monday's economic news highlights: China's GDP (Q2) as well as data on China's investment, retail sales, industrial production, unemployment (June). Secondly, Indonesia's Trade Balance for June. **The week of macro data and financial markets in Asia kicked off with important data on Monday**, namely a series of top-tier economic indicators from China culminating in second quarter GDP growth data. Economists expect China's growth to slow significantly, with the consensus being only 0.5% during the second quarter; which is much lower than the 2.2% quarterly growth in the January-March period. Annualized growth is expected to reach an impressive 7.3%, which is due to the low-base effect in the same period last year. In essence, market participants now feel that all the optimism at the beginning of the year has evaporated. In fact, activity is slowing down, the economy is sliding towards deflation; making investors avoid financial instruments of Chinese stocks, bonds, and currency. China's economic shock index last week hit a one-year low. This week China's central bank will also set key one and five-year lending rates. The Q2 GDP sub-consensus on Monday will likely tend to drive expectations of further monetary policy easing. **As for outside China**, inflation data from Japan and New Zealand on Friday and Wednesday respectively, and unemployment figures from Australia on Thursday will be the most important points in the regional calendar for investors this week. The data comes amid a fresh wave of bullish sentiment in local and global markets, largely stemming from surprisingly benign US inflation data. US Treasury yields, the US Dollar, and US bonds have slumped; whereas stocks and risk-on appetite have increased. According to the Goldman Sachs financial conditions index, global financial conditions are the most loose since April last year, and emerging market financial conditions are now also the most loose since February last year. No wonder the MSCI World stock index surged 3.4% last week, its best week since March; and the MSCI Asia ex-Japan index rallied 5.6%, its best week since November and finally showing signs of catching up after underperforming all year. **The early stages of earnings season will also help maintain positive sentiment.** Bank of America, Morgan Stanley, Goldman Sachs, Tesla, and Netflix are some of the big names scheduled to report 2Q23 results this week.

Considering JCI has gained solidly to 6869.57 last week, NHKSI RESEARCH is quite optimistic that this bullishness can still be maintained until it reaches the critical Resistance of 6960-6970, which has been blocking JCI's rise since the end of last year; therefore we suggest to Average Up gradually and use the pullback moment as an opportunity to Buy on Weakness.

Company News

- PANI : Spent IDR6.49 T of Right Issue Funds
- MAPA : 1:10 Stock Split
- ANTM : Pushing Performance in the Second Half to Optimize Dividend in 2024

Domestic & Global News

- Ahead of BPS Announcement, Trade Balance Surplus Projected to Increase to USD1.33 Billion
- Putin Says Russia Will Use Cluster Bombs in Ukraine if It Has To

Sectors

	Last	Chg.	%
Technology	4945.59	134.03	2.79%
Energy	1863.89	28.89	1.57%
Property	760.61	11.06	1.48%
Infrastructure	857.10	7.40	0.87%
Healthcare	1566.21	10.65	0.68%
Consumer Cyclical	916.08	3.93	0.43%
Finance	1432.30	6.02	0.42%
Consumer Non-Cyclicals	762.23	2.55	0.34%
Transportation & Logistic	1927.88	2.59	0.13%
Industrial	1196.73	-0.77	-0.06%
Basic Material	1044.56	-0.74	-0.07%

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 14	6,869.57
Chg.	59.36 pts (+0.87%)
Volume (bn shares)	18.68
Value (IDR tn)	8.82
Up 292 Down 194 Unchanged 188	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBRI	701.2	TLKM	255.5
BMRI	659.2	BBNI	194.7
BBCA	509.1	SMGR	181.7
ASII	378.0	BOGA	177.0
GOTO	309.6	CARE	176.3

Foreign Transaction

(IDR bn)			
Buy			
Buy	3,657		
Sell			
Sell	3,046		
Net Buy (Sell)	611		
Top Buy	NB Val.	Top Sell	NS Val.
BBRI	266.8	BBCA	45.7
BMRI	95.2	BBNI	37.4
BUKA	50.7	ASII	24.3
ADRO	29.7	INKP	22.2
SMGR	28.8	AKRA	17.9

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.18%	-0.00%
USDIDR	14,958	-0.07%
KRWIDR	11.82	0.61%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,509.03	113.89	0.33%
S&P 500	4,505.42	(4.62)	-0.10%
FTSE 100	7,434.57	(5.64)	-0.08%
DAX	16,105.07	(35.96)	-0.22%
Nikkei	32,391.26	(28.07)	-0.09%
Hang Seng	19,413.78	63.16	0.33%
Shanghai	3,237.70	1.22	0.04%
Kospi	2,628.30	37.07	1.43%
EIDO	23.61	(0.03)	-0.13%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,955.2	(5.3)	-0.27%
Crude Oil (\$/bbl)	75.42	(1.47)	-1.91%
Coal (\$/ton)	131.65	3.65	2.85%
Nickel LME (\$/MT)	21,630	336.0	1.58%
Tin LME (\$/MT)	28,543	(266.0)	-0.92%
CPO (MYR/Ton)	3,881	16.0	0.41%

PANI : Spent IDR6.49 T of Right Issue Funds

Packaging manufacturer, PT Pratama Abadi Nusa Industri Tbk, which has now transformed its business into a property developer, PT Pantai Indah Kapuk Dua Tbk (PANI) reported the realization of the use of funds obtained from the rights issue. The total net rights issue funds raised by the company amounted to Rp6.55 trillion. In the details, IDR 6.49 trillion will be allocated by the company for equity participation in PT Bangun Kosambi Sukses, while the remaining IDR 50.41 billion will be used to purchase the company's working capital. (Emiten News)

MAPA : 1:10 Stock Split

PT MAP Aktif Adiperkasa Tbk (MAPA) plans to conduct a 1:10 stock split. The purpose of the stock split is to increase liquidity and increase the attractiveness of MAPA shares for retail investors. The new price will take effect on Monday, July 17, 2023. (Bisnis)

ANTM : Pushing Performance in the Second Half to Optimize Dividend in 2024

State-owned mining company PT Aneka Tambang Tbk (ANTM) will boost its performance in the second half of this year to optimize dividend payments in 2024. ANTM will implement good mining practices and operational excellence in all aspects of the company's business lines. ANTM will focus on developing its domestic customer base, especially in gold, nickel ore and bauxite, along with the growth of domestic market absorption rate. (Bisnis)

Domestic & Global News

Ahead of BPS Announcement, Trade Balance Surplus Projected to Increase to USD1.33 Billion

Indonesia's trade balance is expected to return to a surplus in June 2023. The trade balance itself will be officially announced by the Central Statistics Agency on Monday (17/7/2023). Bank Mandiri economist Faisal Rachman estimates that the trade balance surplus in the period reached USD 1.33 billion, up from the previous month's surplus of USD 440 million. Faisal said the surplus was not due to a surge in business transactions. Export and import performance is expected to decline in line with the decline in global trade activity due to weakening global demand. According to Faisal, this decline in trade activity could be triggered by the high base effect in May 2023, which was influenced by the buildup of shipments after the Lebaran holiday. In addition, commodity prices, such as coal and CPO, which are Indonesia's main export commodities, are expected to continue their downward trend in June 2023. (Bisnis)

Putin Says Russia Will Use Cluster Bombs in Ukraine if It Has To

President Vladimir Putin said Russia had a "sufficient stockpile" of cluster bombs and reserved the right to use them if such munitions, the use of which he said he regarded as a crime, were deployed against Russian forces in Ukraine. Kyiv has said it will use cluster bombs to dislodge concentrations of enemy soldiers when trying to take back its own territory, but will not use them on Russian territory. Putin told state TV Moscow would respond in kind if necessary. "I want to note that in the Russian Federation there is a sufficient stockpile of different kinds of cluster bombs. We have not used them yet. But of course if they are used against us, we reserve the right to take reciprocal action." (Reuters)

	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							3,635.8							
BBCA	9,200	8,550	10,050	Overweight	9.2	31.0	1,134.1	25.6x	5.4x	21.8	2.2	22.1	44.6	0.9
BBRI	5,525	4,940	6,000	Overweight	8.6	35.7	837.4	15.3x	3.0x	19.8	5.2	10.3	28.8	1.1
BBNI	8,925	9,225	12,000	Buy	34.5	22.7	166.4	8.5x	1.2x	14.7	4.4	12.5	31.6	1.3
BMRI	5,400	4,963	6,300	Buy	16.7	48.5	504.0	11.5x	2.3x	21.2	4.9	16.0	25.1	1.3
AMAR	300	232	392	Buy	30.7	7.0	5.5	N/A	1.3x	(4.3)	N/A	0.7	N/A	0.9
Consumer Non-Cyclicals							1,217.7							
INDF	7,450	6,725	8,600	Buy	15.4	7.6	65.4	8.3x	1.1x	14.4	3.4	11.3	62.8	0.5
ICBP	11,775	10,000	13,000	Overweight	10.4	27.3	137.3	20.8x	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	2,550	2,500	3,200	Buy	25.5	32.8	57.0	24.0x	4.3x	19.1	1.4	11.4	135.7	0.7
CPIN	5,475	5,650	5,500	Hold	0.5	(6.8)	89.8	45.3x	3.4x	7.5	2.0	1.9	(79.5)	0.5
JPFA	1,375	1,295	1,300		(5.5)	(8.0)	16.1	28.2x	1.3x	4.5	3.6	(3.2)	N/A	0.7
AAJI	7,950	8,025	9,200	Buy	15.7	(12.6)	15.3	10.4x	0.7x	6.8	5.1	(27.7)	(53.5)	1.0
Consumer Cyclicals							408.6							
ERAA	478	392	600	Buy	25.5	(2.4)	7.6	7.9x	1.1x	14.2	4.0	28.9	(21.1)	0.8
MAPI	1,800	1,445	2,000	Overweight	11.1	106.9	29.9	14.9x	3.5x	27.1	0.4	32.5	(30.6)	0.8
Healthcare							294.2							
KLBF	2,070	2,090	2,300	Overweight	11.1	20.3	97.0	28.2x	4.5x	16.4	1.8	12.2	3.1	0.4
SIDO	720	755	1,000	Buy	38.9	(25.8)	21.6	19.5x	6.9x	35.8	5.1	3.0	1.8	0.6
MIKA	2,900	3,190	3,000	Hold	3.4	3.9	41.3	41.7x	7.1x	17.9	1.3	(6.0)	(14.5)	0.2
Infrastructure							867.96							
TLKM	3,930	3,750	5,000	Buy	27.2	(2.2)	389.3	18.5x	2.9x	16.0	4.3	2.5	5.0	0.8
JSMR	3,890	2,980	5,100	Buy	31.1	10.2	28.2	9.9x	1.3x	13.2	1.9	21.2	34.3	0.8
EXCL	2,030	2,140	3,800	Buy	87.2	(11.0)	26.7	19.0x	1.0x	5.1	2.1	11.9	23.1	0.8
TOWR	1,075	1,100	1,370	Buy	27.4	(6.1)	54.8	16.0x	3.5x	23.8	2.2	9.4	(11.8)	0.3
TBIG	1,970	2,300	2,390	Buy	21.3	(33.9)	44.6	28.5x	3.8x	14.5	1.8	(1.4)	(25.6)	0.4
MTEL	665	800	865	Buy	30.1	(8.3)	55.5	30.2x	1.6x	5.3	3.2	9.9	9.1	N/A
WIKA	498	800	1,280	Buy	157.0	(45.6)	4.5	N/A	0.4x	(4.6)	N/A	37.4	N/A	1.2
PTPP	625	715	1,700	Buy	172.0	(30.2)	3.9	13.8x	0.3x	2.5	N/A	1.9	20.0	1.1
Property & Real Estate							268.3							
CTRA	1,105	940	1,500	Buy	35.7	34.8	20.5	11.1x	1.1x	10.2	1.4	(4.6)	(4.3)	0.9
PWON	496	456	690	Buy	39.1	12.2	23.9	13.5x	1.3x	10.3	1.3	5.9	60.5	1.1
Energy							1,192.4							
PGAS	1,360	1,760	1,770	Buy	30.1	(13.4)	33.0	7.2x	0.8x	10.9	10.4	11.6	(20.0)	0.9
PTBA	2,770	3,690	4,900	Buy	76.9	(31.8)	31.9	2.8x	1.1x	41.1	39.5	21.4	(48.9)	1.0
ADRO	2,360	3,850	3,900	Buy	65.3	(19.5)	75.5	1.9x	0.8x	46.2	20.6	50.1	15.3	1.3
Industrial							439.3							
UNTR	24,150	26,075	32,000	Buy	32.5	(19.0)	90.1	4.0x	1.0x	27.2	29.0	24.7	26.6	0.9
ASII	6,750	5,700	8,000	Buy	18.5	10.7	273.3	8.9x	1.4x	16.3	9.5	15.5	27.2	1.1
Basic Ind.							1,093.9							
SMGR	6,875	6,575	9,500	Buy	38.2	5.7	46.4	17.4x	1.1x	6.1	3.6	4.5	(2.1)	0.8
INTP	10,350	9,900	12,700	Buy	22.7	14.4	38.1	17.5x	1.8x	10.0	1.5	19.3	109.8	0.8
INCO	6,375	7,100	8,200	Buy	28.6	25.6	63.3	18.3x	1.7x	9.9	1.4	54.5	45.6	1.2
ANTM	2,000	1,985	3,450	Buy	72.5	21.2	48.1	12.0x	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	19:30	Empire Manufacturing	Jul		0.0	6.6
<i>17 – July</i>	CH	09:00	GDP YoY	2Q		7.1%	4.5%
	CH	09:00	Industrial Production YoY	Jun		2.5%	3.5%
	CH	09:00	Retail Sales YoY	Jun		3.2%	12.7%
	ID	11:00	Trade Balance	Jun		\$1162m	\$440m
Tuesday	US	19:30	Retail Sales Advance MoM	Jun		0.5%	0.3%
<i>18 – July</i>	US	20:15	Industrial Production MoM	Jun		0.0%	-0.2%
	JP	11:30	Tertiary Industry Index MoM	May		0.4%	1.2%
Wednesday	US	18:00	MBA Mortgage Applications	Jul 14		—	0.9%
<i>19 – July</i>	US	19:30	Housing Starts	Jun		1465K	1631K
	US	19:30	Building Permits	Jun		1483K	1491K
Thursday	US	19:30	Initial Jobless Claims	Jul 15		—	237K
<i>20 – July</i>	US	21:00	Existing Home Sales	Jun		4.25m	4.30m
	US	21:00	Leading Index	Jun		-0.6%	-0.7%
	JP	06:50	Trade Balance	Jun		-¥46.7b	-¥1372.5b
	JP	13:00	Machine Tool Orders YoY	Jun F		—	-21.7%
Friday	KR	04:00	PPI YoY	Jun		—	0.6%
<i>21 – July</i>	JP	06:30	Natl CPI YoY	Jun		3.3%	3.2%
	JP	06:30	Natl CPI Ex Fresh Food YoY	Jun		3.2%	3.2%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	DEAL, TAXI
<i>17 – July</i>	Cum Dividend	—
Tuesday	RUPS	GMCW
<i>18 – July</i>	Cum Dividend	—
Wednesday	RUPS	—
<i>19 – July</i>	Cum Dividend	—
Thursday	RUPS	MDIA, TRIS, VIVA, YELO
<i>20 – July</i>	Cum Dividend	—
Friday	RUPS	AMIN
<i>21 – July</i>	Cum Dividend	—

Source: Bloomberg



IHSG projection for 17 July 2023 :

BULLISH

Support : 6765-6745 / 6710-6700 / 6620-6600 / 6560-6550.

Resistance : 6900 / 6960-6970 / 7000.

ADVISE : Buy ; or Average Up accordingly.

TLKM—PT Telkom Indonesia TBK



PREDICTION 17 JULY 2023

Overview

**Uji Support jk.menengah.
harga perlu menembus resistance MA10 & MA20.**

Advise

Speculative Buy.

Entry Level: 3930

Average Up >3970

Target : 4000-4030 / 4050 / 4140 / 4220 / 4400

Stoploss : 3900.

BBRI—PT Bank Rakyat Indonesia TBK



PREDICTION 17 JULY 2023

Overview

Rebound dari Support lower channel (Uptrend).

Advise

Buy.

Entry Level: 5525

Average Up >5600-5625

Target: 6000.

Stoploss: 5375.

EXCL—PT XL Axiata TBK



PREDICTION 17 JULY 2023

Overview

Rebound dari Support lower channel (uptrend).

Advise

Buy .

Entry Level: 2030

Average Up >2060.

Target : 2100-2130 / 2240-2270.

Stoploss: 1980.

ADRO—PT Adaro Energy Indonesia Tbk



PREDICTION 17 JULY 2023

Overview

Uji Support lower channel (uptrend jk.pendek).

Advise

Speculatvie Buy.

Entry Level: 2360

Average Up >2380

Target: 2430-2460 / 2550 / 2630

Stoploss: 2270.

CPIN—PT Charoen Pokphand Indonesia Tbk



PREDICTION 17 JULY 2023

Overview

Uji Support MA10 dekat lower channel (Uptrend).

Advise

Speculative Buy.

Entry Level : 5475

Average Up >5550-5600

Target: 5950-6000

Stoploss: 5275.

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