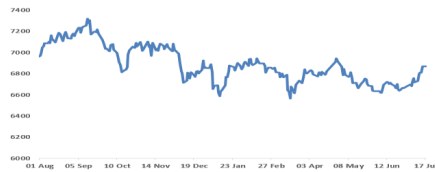


Morning Brief

Daily | July 18, 2023

JCI Movement



Today's Outlook:

U.S. stocks closed in positive territory on Monday (17/07/23) on expectations corporate earnings will exceed forecasts, but global shares and the dollar traded little changed after data showed the Chinese economy grew slower than anticipated. China overnight reported growth of 0.8% in the second quarter, above the 0.5% forecast, but the annual pace was 6.3%, well below expectations for a reading of 7.3%. From the beginning of the year, China's GDP has grown by 5.5% yoy in these two running quarters. Apart from Industrial Production (June), none of China's other macroeconomic data managed to surpass the previous period's performance. Analysts think the post-COVID economic boom is over and China's economic situation has lost its momentum. **However, fears earlier in the year of a US hard landing have lessened** as slower consumer inflation has brightened the outlook on Wall Street as companies begin to report second-quarter results, which is expected to fall 8.1% (according to Refinitiv data), down further from the 5.7% decline expected at the beginning of the month. On the other hand, Inflation is still above the Federal Reserve's target of 2%. Most market participants expect a 25bps rate hike by the Federal Reserve at next week's meeting, with a 97.3% probability, according to the CME Group FedWatch Tool. Futures are pricing in an additional 32 basis points of tightening this year, with the benchmark rate expected to peak at 5.40% in November. That implies the market sees a low chance of further rate hikes after the Fed concludes a two-day meeting on July 25-26. Analysts expect only limited upside potential for US stocks which are already highly valued; in fact the S&P500 is now trading at a forward P/E of 19.7x. Speaking of other economic data, the announcement of Retail Sales (June), Industrial Production (June), and Business Inventories (May) on Tuesday evening WIB will be in the spotlight for market participants today, although the data may have little bearing on monetary policy or market direction.

JCI finally closed slightly lower by -2.43points at 6867.14 after touching the High of the day at 6931.27 accompanied by significant foreign net purchases of IDR1.2 trillion (all markets) where they added to the coffers of Indonesian bluechip bank stocks such as BBRI, BBKA, and BMRI. Indonesia reported a Trade Balance surplus (June) that surged unexpectedly to USD3.46 billion, more than double the estimate, and much higher than May's USD440mn; at a time when Export & Import growth actually plummeted compared to June 2022, at -21.18% yoy and -18.35% yoy respectively. But fortunately, compared to May 2023, Imports fell more by 19.4% than Exports which only fell by 5.08%; so that Indonesia's Trade Balance in June 2023 was able to book 38 consecutive months of surplus mainly from the non-oil & gas sector of USD4.41 billion, but was reduced by a deficit in the oil & gas sector worth USD0.96 billion. **Technically, NHKSI RESEARCH sees that the candle shape on the JCI chart is similar to a Shooting Star**, indicating high selling pressure near the critical Resistance of 6945-6965 which if this mid-term Resistance is broken, it will free the JCI's way to the psychological level of 7000.

Company News

META : Absorbed IDR 447 Billion CapEx in Semester I-2023
ADHI : Working on Philippines Railway Infrastructure
SMRA : Achieved Marketing Sales of IDR 1.6T in 1H23

Domestic & Global News

After Being Released by Repsol, Government Can Re-auction Andaman Block III
Black Sea Grain Deal Expires After Russia Quits

Sectors

	Last	Chg.	%
Healthcare	1553.26	-12.95	-0.83%
Consumer Non-Cyclicals	757.36	-4.87	-0.64%
Infrastructure	853.71	-3.38	-0.39%
Basic Material	1040.95	-3.61	-0.35%
Property	758.88	-1.72	-0.23%
Transportation & Logistic	1924.14	-3.74	-0.19%
Industrial	1196.34	-0.40	-0.03%
Finance	1433.14	0.84	0.06%
Technology	4962.22	16.63	0.34%
Consumer Cyclicals	921.90	5.82	0.64%
Energy	1880.00	16.11	0.86%

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)	3.46	0.44	Govt. Spending Yoy	3.99%	-4.77%
Exports Yoy	-21.18%	0.96%	FDI (USD bn)	5.14	5.14
Imports Yoy	-18.35%	14.35%	Business Confidence	104.82	105.33
Inflation Yoy	3.52%	4.00%	Cons. Confidence*	127.10	128.30

JCI Index

July 17	6,867.14
Chg.	2.43 pts (-0.04%)
Volume (bn shares)	20.41
Value (IDR tn)	9.35
Up 263 Down 240 Unchanged 171	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBRI	933.5	ASII	279.3
GOTO	613.4	BBNI	269.1
BBCA	575.0	BOGA	169.7
BMRI	540.9	BBTN	161.8
TLKM	319.9	NATO	131.6

Foreign Transaction

(IDR bn)			
Buy			
Buy	3,724		
Sell	2,522		
Net Buy (Sell)	1,202		
Top Buy	NB Val.	Top Sell	NS Val.
BBRI	533.4	GOTO	95.0
BBCA	200.7	ITMG	8.8
BMRI	129.2	WIRG	7.4
TLKM	59.8	INDF	6.6
ICBP	52.8	BTPS	6.3

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.20%	0.03%
USDIDR	15,005	0.31%
KRWIDR	11.85	0.32%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,585.35	76.32	0.22%
S&P 500	4,522.79	17.37	0.39%
FTSE 100	7,406.42	(28.15)	-0.38%
DAX	16,068.65	(36.42)	-0.23%
Nikkei	32,391.26	(28.07)	-0.09%
Hang Seng	19,413.78	63.16	0.33%
Shanghai	3,209.63	(28.07)	-0.87%
Kospi	2,619.00	(9.30)	-0.35%
EIDO	23.68	0.07	0.30%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,955.0	(0.2)	-0.01%
Crude Oil (\$/bbl)	74.15	(1.27)	-1.68%
Coal (\$/ton)	131.10	(0.55)	-0.42%
Nickel LME (\$/MT)	21,054	(576.0)	-2.66%
Tin LME (\$/MT)	28,363	(180.0)	-0.63%
CPO (MYR/Ton)	3,930	31.0	0.80%

META : Absorbed IDR 447 Billion CapEx in Semester I-2023

PT Nusantara Infrastructure Tbk (META) recorded a capital expenditure (capex) absorption of Rp 447 billion during the first semester of 2023. This is equivalent to 51% of META's total budgeted capex in 2023. META also managed to book revenue of around Rp 443 billion in the first semester of 2023. The toll road sector still provides the largest contribution to the company's revenue, followed by the renewable energy and clean water business sectors. (Kontan)

ADHI : Working on Philippines Railway Infrastructure

Adhi Karya (ADHI) and PT PP will work on the Philippines' railway infrastructure. Namely, Malolos to Clark Railway Project (Blumentritt Extension) CP S-01, and South Commuter Railway Project CP S-03C. The two SOEs formed a joint venture, ADHI-PTPP JV with a total work contract value of IDR 8.4 trillion. Adhi Karya with a portion of 51 percent, and 49 percent PTPP. (Emiten News)

SMRA : Achieved Marketing Sales of IDR 1.6T in 1H23

PT Summarecon Agung Tbk (SMRA) reported the realization of marketing sales until the first semester of this year reached Rp1.6 trillion. This reflects 32% of the company's 2023 target of IDR 5 trillion. This achievement was dominated by sales of housing products, which amounted to 58%, shophouses amounted to 28%, land plots reached 7%, apartments and commercial 7%. (Bisnis)

Domestic & Global News

After Being Released by Repsol, Government Can Re-auction Andaman Block III

The Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) said that the government could re-auction Andaman Block III, which was returned by field operator Repsol Andaman B.V. to the state late last month. After being released by Repsol B.V, the field, which was estimated to contain 1,893 million barrels of oil (MMBO) before the exploration period, will now have an open area status. Deputy Head of SKK Migas Nanang Abdul Manaf said that if the process has been returned, including the data, then the status becomes an open area and the government has the right to auction it to other investors. Nanang said that the Spanish oil and gas giant was reluctant to apply for additional exploration time (TWE) which ended on June 29, 2023. Repsol's attitude then made the field management contract automatically returned to the state or terminated. Previously, Repsol Indonesia Stakeholders Relations Manager Amir Faisal Jindan said the decision to withdraw from the field management rights came from consideration of the unsatisfactory drilling of the Rencong-1X Well or dry hole at the end of last year. (Bisnis)

Black Sea Grain Deal Expires After Russia Quits

A deal allowing the safe Black Sea export of Ukraine's grain for the past year expired on Monday after Russia quit and warned it could not guarantee the safety of ships in a move the United Nations said would "strike a blow to people in need everywhere." Moscow suggested that if demands to improve exports of its own grain and fertilizer were met it would consider resurrecting the Black Sea agreement. However, U.N. Secretary-General Antonio Guterres said that a U.N. pact that aimed to help facilitate Russia's shipments over the past year was also terminated. U.S. wheat and corn futures slumped after earlier hitting two-week highs on Russia's announcement. The Black Sea deal was brokered by the U.N. and Turkey in July last year to combat a global food crisis worsened by Russia's February 2022 invasion of Ukraine. Ukraine and Russia are among the world's top grain exporters. (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							3,664.6							
BBCA	9,175	8,550	10,050	Overweight	9.5	31.1	1,131.0	25.6x	5.4x	21.8	2.2	22.1	44.6	0.9
BBRI	5,575	4,940	6,000	Overweight	7.6	35.6	844.9	15.5x	3.0x	19.8	5.2	10.3	28.8	1.1
BBNI	8,950	9,225	12,000	Buy	34.1	23.0	166.9	8.5x	1.2x	14.7	4.4	12.5	31.6	1.2
BMRI	5,375	4,963	6,300	Buy	17.2	49.8	501.7	11.5x	2.3x	21.2	4.9	16.0	25.1	1.3
AMAR	294	232	392	Buy	33.3	2.1	5.4	N/A	1.3x	(4.3)	N/A	0.7	N/A	0.9
Consumer Non-Cyclicals							1,222.3							
INDF	7,300	6,725	8,600	Buy	17.8	5.8	64.1	8.2x	1.1x	14.4	3.5	11.3	62.8	0.5
ICBP	11,650	10,000	13,000	Overweight	11.6	24.6	135.9	20.6x	3.4x	17.3	1.6	11.4	104.2	0.5
UNVR	4,270	4,700	4,850	Overweight	13.6	(11.6)	162.9	34.3x	30.5x	81.0	3.3	(2.2)	(30.2)	0.5
MYOR	2,500	2,500	3,200	Buy	28.0	32.3	55.9	23.5x	4.2x	19.1	1.4	11.4	135.7	0.7
CPIN	5,425	5,650	5,500	Hold	1.4	(3.1)	89.0	44.9x	3.4x	7.5	2.0	1.9	(79.5)	0.5
JPFA	1,380	1,295	1,300		(5.8)	(5.2)	16.2	28.3x	1.3x	4.5	3.6	(3.2)	N/A	0.7
AALI	7,850	8,025	9,200	Buy	17.2	(12.0)	15.1	10.3x	0.7x	6.8	5.1	(27.7)	(53.5)	1.0
Consumer Cyclicals							411.4							
ERAA	480	392	600	Buy	25.0	(2.0)	7.7	8.0x	1.1x	14.2	4.0	28.9	(21.1)	0.8
MAPI	1,835	1,445	2,000	Overweight	9.0	105.0	30.5	15.2x	3.6x	27.1	0.4	32.5	(30.6)	0.8
Healthcare							296.7							
KLBF	2,020	2,090	2,300	Overweight	13.9	20.2	94.7	27.5x	4.4x	16.4	1.9	12.2	3.1	0.4
SIDO	720	755	1,000	Buy	38.9	(25.4)	21.6	19.5x	6.9x	35.8	5.1	3.0	1.8	0.6
MIKA	2,870	3,190	3,000	Hold	4.5	4.4	40.9	41.3x	7.1x	17.9	1.3	(6.0)	(14.5)	0.3
Infrastructure							873.02							
TLKM	3,910	3,750	5,000	Buy	27.9	(5.8)	387.3	18.4x	2.9x	16.0	4.3	2.5	5.0	0.8
JSMR	3,810	2,980	5,100	Buy	33.9	8.9	27.7	9.7x	1.2x	13.2	2.0	21.2	34.3	0.8
EXCL	2,030	2,140	3,800	Buy	87.2	(12.5)	26.7	19.0x	1.0x	5.1	2.1	11.9	23.1	0.8
TOWR	1,055	1,100	1,370	Buy	29.9	(7.5)	53.8	15.8x	3.5x	23.8	2.3	9.4	(11.8)	0.3
TBIG	1,960	2,300	2,390	Buy	21.9	(35.1)	44.4	28.4x	3.8x	14.5	1.8	(1.4)	(25.6)	0.4
MTEL	660	800	865	Buy	31.1	(7.7)	55.1	30.0x	1.6x	5.3	3.2	9.9	9.1	N/A
WIKA	515	800	1,280	Buy	148.5	(43.4)	4.6	N/A	0.4x	(4.6)	N/A	37.4	N/A	1.2
PTPP	645	715	1,700	Buy	163.6	(27.5)	4.0	14.2x	0.4x	2.5	N/A	1.9	20.0	1.1
Property & Real Estate							269.1							
CTRA	1,090	940	1,500	Buy	37.6	32.1	20.2	10.9x	1.1x	10.2	1.4	(4.6)	(4.3)	0.9
PWON	486	456	690	Buy	42.0	13.0	23.4	13.3x	1.3x	10.3	1.3	5.9	60.5	1.1
Energy							1,226.7							
PGAS	1,370	1,760	1,770	Buy	29.2	(10.5)	33.2	7.3x	0.8x	10.9	10.3	11.6	(20.0)	0.9
PTBA	2,790	3,690	4,900	Buy	75.6	(29.2)	32.1	2.8x	1.1x	41.1	39.2	21.4	(48.9)	1.0
ADRO	2,380	3,850	3,900	Buy	63.9	(13.8)	76.1	1.9x	0.8x	46.2	20.5	50.1	15.3	1.3
Industrial							437.0							
UNTR	24,225	26,075	32,000	Buy	32.1	(16.5)	90.4	4.0x	1.0x	27.2	28.9	24.7	26.6	0.9
ASII	6,675	5,700	8,000	Buy	19.9	12.2	270.2	8.8x	1.4x	16.3	9.6	15.5	27.2	1.1
Basic Ind.							1,091.3							
SMGR	6,775	6,575	9,500	Buy	40.2	6.6	45.7	17.2x	1.1x	6.1	3.6	4.5	(2.1)	0.9
INTP	10,275	9,900	12,700	Buy	23.6	12.6	37.8	17.4x	1.8x	10.0	1.6	19.3	109.8	0.8
INCO	6,400	7,100	8,200	Buy	28.1	34.2	63.6	18.3x	1.7x	9.9	1.4	54.5	45.6	1.2
ANTM	1,990	1,985	3,450	Buy	73.4	29.2	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	19:30	Empire Manufacturing	Jul	1.1	0.0	6.6
<i>17 – July</i>	CH	09:00	GDP YoY	2Q	6.3%	7.1%	4.5%
	CH	09:00	Industrial Production YoY	Jun	4.4%	2.5%	3.5%
	CH	09:00	Retail Sales YoY	Jun	3.3%	3.1%	12.7%
	ID	11:00	Trade Balance	Jun	\$3460m	\$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	NatI CPI YoY	Jun		3.3%	3.2%
	JP	06:30	NatI 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 18 July 2023 :

KONSOLIDASI / BULLISH.

candle : Shooting Star setelah hampir menyentuh area Resistance jk.menengh 6945-6965

Support : 6810-6800 / 6765-6745 / 6730-6720 / 6620-6600 / 6560-6550.

Resistance : 6910-6930 / 6945-6965 / 7000.

ADVISE : antisipasi pullback / konsolidasi sejenak ; SELL ON STRENGTH or set your TRAILING STOP.

PGAS—PT Pertamina Gas Negara TBK



PREDICTION 18 JULY 2023

Overview

Uji Resistance upper channel mid-term.

Advise

Buy on Break.

Entry Level: 1380- 1390

Average Up >1400

Target: 1450-1475 / 1500-1525 / 1635-1650 / 1680..

Stoploss: 1340.

SRTG—PT Saratoga Investama Sedaya TBK



PREDICTION 18 JULY 2023

Overview

Uji Resistance upper channel (downtrend).

Advise

Buy on Break.

Entry Level: 1740-1780

Average Up >1805.

Target : 2000 / 2090 / 2150 / 2230-2250.

Stoploss: 1660.

WOOD—PT Integra Indocabinet TBK



PREDICTION 18 JULY 2023

Overview

On the way menuju target TRIANGLE , bergerak Up-trend di dalam pattern PARALLEL CHANNEL. Rebound dari Support MA10. Uji Resistance dari level previous High

Advise

**Speculative Buy .
Entry Level: 426-432
Average Up >436-440.
Target : 470 / 490-500.
Stoploss: 420.**

TPIA—PT Chandra Asri Petrochemical Tbk



PREDICTION 18 JULY 2023

Overview

break resistance MA10 & MA20. RSI positive divergence.

Advise

**Speculative Buy .
Entry Level: 2090
Average Up >2140.
Target : 2200 / 2270 / 2360-2400 / 2470.
Stoploss: 2020.**

WIKA—PT Wijaya Karya Tbk



PREDICTION 18 JULY 2023

Overview

On the way menuju TARGET dari pola PARALLEL CHANNEL. Break ke atas resistance ketiga MA.

Advise

**Speculative Buy
Entry Level: 515-505
Target : 550 / 570 / 600-610 / 660.
Stoploss: 480.**

Research Division

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 9127
E leonardo.lijuwardi@nhsec.co.id

Research Support

Amalia Huda Nurfalah

Editor & Translator
T +62 21 5088 ext 9132
E amalia.huda@nhsec.co.id

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PT. NH Korindo Sekuritas Indonesia

JAKARTA (HEADQUARTER)

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

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