

Morning Brief

Daily | July 21, 2023

JCI Movement



Today's Outlook:

The S&P 500 and Nasdaq slipped into negative territory on Thursday trading (20/07/23), weighed down by drops in Tesla and Netflix following their quarterly results, but the Dow Jones advanced for a ninth straight day thanks to gains in Johnson & Johnson following a strong annual forecast. The decline for the Nasdaq was its largest one-day percentage fall since March 9, while the Dow registered its ninth straight session of gains, its longest winning streak since September 2017. The Nasdaq itself has surged 34.4% this year to levels not seen since early April 2022, supported by a seemingly unstoppable rally in megacap growth names such as Nvidia and Meta on the back of optimism over Artificial Intelligence (AI), a stronger-than-expected US economy, and expectations that the Federal Reserve is nearing the end of its aggressive interest rate hike. Economic data released on Thursday also indicated that the labor market is still quite tight, while the housing and manufacturing sectors remain sluggish. US jobless claims last week unexpectedly fell last week, touching the lowest level in two months. The decline for two consecutive weeks raised cautious optimism that the economy could avoid a dreaded recession this year. As for US Inflation, it was recorded to have slipped further in June, but the strong labor market also supported wage growth, thereby helping people's purchasing power to be maintained. On the other hand, the Philadelphia Fed Manufacturing Index, which is considered quite important in describing business conditions, especially in Philadelphia, was revealed to have worsened in July. **From another continent, China held their benchmark interest rate at 3.55%** to boost their sluggish economic growth post COVID lockdown. Meanwhile, Germany reported PPI (June) which turned out to be a bit more heated than expected. Similarly, Japan reported National CPI & Core CPI for June where they were also slightly higher than May. As for this morning, South Korea has also released PPI data (June) which turned out to be in deflation both on an annual and monthly basis. Later in the afternoon, market participants will only highlight the UK regarding economic reports, whether the sluggishness in Retail Sales proved to be able to reduce in June. **On the commodities front, oil prices were muted** as a lower-than-expected drop in US crude inventories and a potentially weaker global demand outlook kept investors cautious. Meanwhile, gold prices rose to more than two-month highs as tame UK Inflation data gave more speculation that the global interest rate uptrend is nearing its peak, while also helped by the weakening US Dollar.

JCI gained 33.99 points / +0.5% to 6864.19, thus confirming JCI is safely above MA10 Support after a short pullback in this short term Uptrend. Technically, **NHKS RESEARCH sees that the bullish swing could resume today with focus on surpassing the nearest Resistance 6880-6930.** Indonesian capital market investors/traders may consider gradually averaging up their portfolio positions.

Company News

BRMS : Targeting Full Capacity of Gold Plant II in August
GIAA : Reactivate Closed International Routes
TOTL : Secured Rp 1.33 Trillion New Contract Until the End of June 2023

Domestic & Global News

Russia Stops Wheat Exports, Bapanas: 52 Percent of Indonesia's Imports are from Australia
Oil Settles Higher Amid Low Crude Stocks, Cautious Economic Outlook

Sectors

	Last	Chg.	%
Energy	1896.18	29.14	1.56%
Property	766.12	11.50	1.52%
Finance	1434.67	12.02	0.85%
Basic Material	1046.76	7.52	0.72%
Infrastructure	851.03	3.27	0.39%
Transportation & Logistic	1904.44	6.91	0.36%
Consumer Cyclical	928.05	2.33	0.25%
Industrial	1191.18	1.23	0.10%
Consumer Non-Cyclical	754.31	-2.09	-0.28%
Healthcare	1533.91	-8.01	-0.52%
Technology	4883.29	-48.05	-0.97%

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 20	6,864.19
Chg.	33.99 pts (+0.50%)
Volume (bn shares)	16.27
Value (IDR tn)	9.96

Up 283 Down 205 Unchanged 186

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BBCA	766.9	ACES	324.6
BMRI	726.3	BBNI	281.7
BBRI	622.0	ICBP	203.1
ASII	417.5	TLKM	156.2
TLKM	341.0	ACES	155.8

Foreign Transaction

(IDR bn)

Buy	4,589
Sell	3,997
Net Buy (Sell)	592

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	336.7	TLKM	134.0
ICBP	85.6	GOTO	57.2
BBNI	69.1	ASII	43.5
ACES	56.6	ANTM	28.0
MDKA	50.1	UNVR	16.0

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.22%	0.01%
USDIDR	14,988	-0.05%
KRWIDR	11.80	-0.37%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,225.18	163.97	0.47%
S&P 500	4,534.87	(30.85)	-0.68%
FTSE 100	7,646.05	57.85	0.76%
DAX	16,204.22	95.29	0.59%
Nikkei	32,490.52	(405.51)	-1.23%
Hang Seng	18,928.02	(24.29)	-0.13%
Shanghai	3,169.52	(29.31)	-0.92%
Kospi	2,600.23	(8.01)	-0.31%
EIDO	23.47	(0.06)	-0.26%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,969.5	(7.1)	-0.36%
Crude Oil (\$/bbl)	75.65	0.36	0.48%
Coal (\$/ton)	132.00	0.00	0.00%
Nickel LME (\$/MT)	21,280	373.0	1.78%
Tin LME (\$/MT)	28,715	601.0	2.14%
CPO (MYR/Ton)	4,046	151.0	3.88%

BRMS : Targeting Full Capacity of Gold Plant II in August

PT Bumi Resources Minerals Tbk (BRMS) is targeting its second gold production plant to reach full capacity by the end of August or early September 2023. Later, if it has reached full capacity, gold production at the second BRMS plant located in Palu will be able to reach 4,000 tons of ore per day. (Kontan)

GIAA : Reactivate Closed International Routes

PT Garuda Indonesia Tbk (GIAA) has reactivated a number of international routes that were closed due to the Covid-19 pandemic. One of them is to Australia to the cities of Melbourne and Sydney. The opening of other routes is still seeing the development of the existing market, and the calculation of profits. Meanwhile, the Perth route, which was closed, is now being served again but by its subsidiary, Citilink. (Issuer News)

TOTL : Secured Rp 1.33 Trillion New Contract Until the End of June 2023

Construction company PT Total Bangun Persada Tbk (TOTL) is pursuing a new contract target of Rp 2.6 trillion in 2023. Currently, the value of new contracts until the end of June 2023 is Rp 1.33 trillion. The new contracts include hotel, shopping center, industrial, and mixed-use construction projects. The projects are located in Jakarta, BSD, and Palembang. (Kontan)

Domestic & Global News

Russia Stops Wheat Exports, Bapanas: 52 Percent of Indonesia's Imports are from Australia

The government assures that Russia's action to stop wheat exports in the Black Sea region will not affect Indonesia's wheat supply. Head of the National Food Agency (Bapanas) Arief Prasetyo Adi said that most of Indonesia's wheat supply is not from Russia or Ukraine. Almost half of Indonesia's imported wheat comes from Australia. "Indonesia imports 52 percent of its wheat from Australia," Arief said when contacted on Thursday. Nevertheless, Arief cannot be sure that wheat flour prices will not fluctuate due to tensions in Eastern Europe. He admits that the price of imported products is often very dependent on conditions in the country of origin and currency exchange rates. (Bisnis)

Oil Settles Higher Amid Low Crude Stocks, Cautious Economic Outlook

Oil prices settled slightly higher on Thursday on lower U.S. crude inventories and strong crude imports by China, but a weaker demand outlook kept investors cautious. September Brent futures climbed 18 cents, or 0.2%, to settle at USD 79.64 a barrel. August U.S. West Texas Intermediate (WTI) crude gained 28 cents, or 0.4%, to settle at USD 75.63 a barrel. The August WTI contract expires on Thursday. The more active September WTI crude settled 36 cents higher at USD 75.65. Strong economic data, low employment and cooler inflation over a year since the Fed began one of its most aggressive rate hiking campaigns in history has supported U.S. oil demand this year. In the previous session, prices fell after data showed U.S. inventories fell less than analysts expected. (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							3,657.5							
BBCA	9,150	8,550	10,050	Overweight	9.8	23.6	1,128.0	25.5x	5.3x	21.8	2.2	22.1	44.6	0.9
BBRI	5,625	4,940	6,000	Overweight	6.7	30.8	852.5	15.6x	3.0x	19.8	5.1	10.3	28.8	1.1
BBNI	9,050	9,225	12,000	Buy	32.6	17.9	168.8	8.6x	1.2x	14.7	4.3	12.5	31.6	1.2
BMRI	5,525	4,963	6,300	Overweight	14.0	39.9	515.7	11.8x	2.4x	21.2	4.8	16.0	25.1	1.3
AMAR	294	232	392	Buy	33.3	(2.5)	5.4	N/A	1.3x	(4.3)	N/A	0.7	N/A	0.9
Consumer Non-Cyclicals							1,213.9							
INDF	7,325	6,725	8,600	Buy	17.4	3.2	64.3	8.2x	1.1x	14.4	3.5	11.3	62.8	0.5
ICBP	11,475	10,000	13,000	Overweight	13.3	21.4	133.8	20.3x	3.3x	17.3	1.6	11.4	104.2	0.5
UNVR	4,220	4,700	4,850	Overweight	14.9	(15.1)	161.0	33.9x	30.1x	81.0	3.3	(2.2)	(30.2)	0.5
MYOR	2,380	2,500	3,200	Buy	34.5	23.0	53.2	22.4x	4.0x	19.1	1.5	11.4	135.7	0.7
CPIN	5,200	5,650	5,500	Overweight	5.8	(11.9)	85.3	43.0x	3.2x	7.5	2.1	1.9	(79.5)	0.5
JPFA	1,360	1,295	1,300	Hold	(4.4)	(11.4)	15.9	27.9x	1.2x	4.5	3.7	(3.2)	N/A	0.7
AALI	7,825	8,025	9,200	Buy	17.6	(17.6)	15.1	10.3x	0.7x	6.8	5.2	(27.7)	(53.5)	1.0
Consumer Cyclicals							416.1							
ERAA	474	392	600	Buy	26.6	(5.2)	7.6	7.9x	1.1x	14.2	4.0	28.9	(21.1)	0.8
MAPI	1,985	1,445	2,000	Hold	0.8	111.2	33.0	16.4x	3.9x	27.1	0.4	32.5	(30.6)	0.8
Healthcare							291.2							
KLBF	1,950	2,090	2,300	Buy	17.9	12.7	91.4	26.6x	4.3x	16.4	1.9	12.2	3.1	0.4
SIDO	690	755	1,000	Buy	44.9	(28.9)	20.7	18.6x	6.6x	35.8	5.3	3.0	1.8	0.6
MIKA	2,880	3,190	3,000	Hold	4.2	1.8	41.0	41.4x	7.1x	17.9	1.3	(6.0)	(14.5)	0.3
Infrastructure							859.70							
TLKM	3,850	3,750	5,000	Buy	29.9	(8.6)	381.4	18.1x	2.8x	16.0	4.4	2.5	5.0	0.8
JSMR	3,820	2,980	5,100	Buy	33.5	7.9	27.7	9.7x	1.2x	13.2	2.0	21.2	34.3	0.8
EXCL	2,070	2,140	3,800	Buy	83.6	(18.2)	27.2	19.4x	1.0x	5.1	2.0	11.9	23.1	0.8
TOWR	1,035	1,100	1,370	Buy	32.4	(9.2)	52.8	15.5x	3.4x	23.8	2.3	9.4	(11.8)	0.3
TBIG	1,960	2,300	2,390	Buy	21.9	(35.3)	44.4	28.4x	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	492	800	1,280	Buy	160.2	(47.1)	4.4	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							267.3							
CTRA	1,125	940	1,500	Buy	33.3	26.4	20.9	11.3x	1.1x	10.2	1.3	(4.6)	(4.3)	0.9
PWON	498	456	690	Buy	38.6	9.2	24.0	13.6x	1.3x	10.3	1.3	5.9	60.5	1.1
Energy							1,223.4							
PGAS	1,370	1,760	1,770	Buy	29.2	(14.6)	33.2	7.3x	0.8x	10.9	10.3	11.6	(20.0)	0.9
PTBA	2,770	3,690	4,900	Buy	76.9	(31.3)	31.9	2.8x	1.1x	41.1	39.5	21.4	(48.9)	1.0
ADRO	2,370	3,850	3,900	Buy	64.6	(21.5)	75.8	1.9x	0.8x	46.2	20.6	50.1	15.3	1.3
Industrial							430.0							
UNTR	24,375	26,075	32,000	Buy	31.3	(19.2)	90.9	4.1x	1.0x	27.2	28.7	24.7	26.6	0.9
ASII	6,525	5,700	8,000	Buy	22.6	4.0	264.2	8.6x	1.3x	16.3	9.8	15.5	27.2	1.1
Basic Ind.							1,090.1							
SMGR	6,700	6,575	9,500	Buy	41.8	3.4	45.2	17.0x	1.0x	6.1	3.7	4.5	(2.1)	0.9
INTP	10,175	9,900	12,700	Buy	24.8	9.1	37.5	17.2x	1.8x	10.0	1.6	19.3	109.8	0.8
INCO	6,550	7,100	8,200	Buy	25.2	27.2	65.1	18.8x	1.8x	9.9	1.4	54.5	45.6	1.2
ANTM	1,990	1,985	3,450	Buy	73.4	17.4	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	0.2%	0.5%	0.3%
<i>18 – July</i>	US	20:15	Industrial Production MoM	Jun	-0.5%	0.0%	-0.2%
	JP	11:30	Tertiary Industry Index MoM	May	1.2%	0.4%	1.2%
Wednesday	US	18:00	MBA Mortgage Applications	Jul 14	1.1%	—	0.9%
<i>19 – July</i>	US	19:30	Housing Starts	Jun	1434K	1480K	1631K
	US	19:30	Building Permits	Jun	1440K	1500K	1491K
Thursday	US	19:30	Initial Jobless Claims	Jul 15	228K	240K	237K
<i>20 – July</i>	US	21:00	Existing Home Sales	Jun	4.16m	4.20m	4.30m
	US	21:00	Leading Index	Jun	-3.3%	-2.3%	-0.7%
	JP	06:50	Trade Balance	Jun	-¥43.0b	-¥46.7b	-¥1372.5b
	JP	13:00	Machine Tool Orders YoY	Jun F	-21.1%	—	-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



IHSX projection for 21 July 2023 :

BULLISH / SIDEWAYS – Uji Resistance level previous High

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

Resistance : 6880-6930 / 6960-6970 / 7000.

ADVISE : Buy.

MDKA—PT Merdeka Copper Gold TBK



PREDICTION 21 JULY 2023

Overview

Rebound dari Uji Support Neckline DOUBLE BOTTOM plus MA20 & MA50.

Advise

Buy.

Entry Level: 3340-3240

Target: 3450 / 3550-3600 / 4000.

Stoploss: 3160.

MEDC—PT Medco Energi Internasional TBK



PREDICTION 21 JULY 2023

Overview

Bottoming phase (Sideways).

Break Resistance ketiga MA dengan solid.

Advise

Speculative Buy .

Entry Level: 935-920

Average Up >945

Target : 960-965 / 995-1000 / 1065-1070 / 1100-1115

Stoploss : 895.

BIPI—PT Astrindo Nusantara Infrastruktur TBK



PREDICTION 21 JULY 2023

Overview

Rebound dari Support mid-term.
 Saat ini pertama kali berada di atas Support MA10 lagi dalam 1,5bulan.

Advise

Speculative Buy.
 Entry Level: 124
 Average Up >125-127
 Target: 131 / 136 / 145.
 Stoploss: 120.

ENRG—PT Energi Mega Persada Tbk



PREDICTION 21 JULY 2023

Overview

On the way menuju TARGET naik dari pattern short-term & mid-term.

Advise

Buy
 Entry Level: 244-234
 Average Up >248-250.
 Target : 275 / 300.
 Stoploss: 218.

INCO—PT Vale Indonesia Tbk



PREDICTION 21 JULY 2023

Overview

On the way menuju TARGET dari pattern FALLING WEDGE (pink).

Advise

Buy.
 Entry Level : 6550
 Average Up >6675-6725
 Target: 7125-7200
 Stoploss: 6350.

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