

Morning Brief

Daily | July 28, 2023

JCI Movement



Today's Outlook:

The Dow Jones snapped a 13-day win streak Thursday (27/07.23), as rally in Meta was offset by weakness in financials and airline stocks amid underwhelming quarterly results. The Dow Jones Industrial Average had to drop 0.7%, while the Nasdaq and S&P500 both dropped 0.6%. S&P Global even fell more than 7%, failing to impress on the earnings stage as financial information and analytics firm reported quarterly earnings that missed analyst estimates. Global equity markets fell while the U.S. dollar gained, following news of stronger-than-expected US economic growth despite consecutive interest rate hikes from the Federal Reserve and European Central Bank. **US gross domestic product (GDP) increased 2.4%** in 2Q23, Commerce Department data showed, beating estimates from economists polled by Reuters and dampening concerns of a recession due to the Fed's aggressive rate-tightening cycle. A Labor Department report Initial Jobless Claims to be better than expected as fewer people sought to claim unemployment benefits (actual: 221k vs. forecast: 235k, previous: 228k). Another data from the property sector was Pending Home Sales (June) which was also better than expected -0.5% mom, instead it came in at 0.3% mom; clearly a better growth than May at -2.5%. **From the Europe**, Eurozone raised interest rates by 25 bps to 4.25%. While the Gfk German Consumer Climate (Aug) explained a slightly more optimistic consumer confidence over economic activity in August. Similarly, South Korea reported an above-expected South Korea Manufacturing BSI Index, where the survey investigates business trends and how businesses view current business conditions and more optimistic future tendencies. Meanwhile, the Hong Kong Monetary Authority is also suspected to have raised interest rates by 25 bps to 5.75%, following the Federal Reserve's latest move. **In terms of commodities, oil prices rose**, recovering most of the losses from the previous session amid a weaker US Dollar and the prospect of tighter supply, while markets also digested mixed signals on monetary policy from the Federal Reserve. Gold prices climbed to a 1-week high, supported by a slightly weaker US Dollar, while traders digested comments from US Federal Reserve Chairman Jerome Powell following a widely expected interest rate hike. Malaysian CPO futures slumped for the third consecutive session, dragged down by a stronger Malaysian Ringgit and cheaper Indonesian cargoes, although losses were limited by stronger vegetable and crude oil rivals.

What was feared for JCI finally happened, that JCI was unable to cross the critical resistance of 6950-6970 and instead fell quite far 51.62 points / -0.74% and brought JCI down to below 6900 level; followed by Foreign Net Sell of IDR 480.64bn. Technically, the candle that occurred was similar to Bearish Engulfing, implying a possible trend reversal in sight. The unfavorable sentiment was also caused by weakening Rupiah at IDR 15,003/USD level; despite Money Supply M2 in Indonesia increased to IDR 8,372.6 trillion in June (from IDR 8,332.3 trillion in May). Considering the overall market sentiment, **NHKS RESEARCH suggests, by the end of this week investors should prepare themselves for further consolidation to the nearest Support at MA10/6878, or even to the next cushion at MA20/6800. Therefore, restraint aka Wait & See is most appropriate to do today.**

Company News

MTEL : Profit Rises 14% to Rp 1.02 Trillion in 1H23
HMSP : Profit Surged 23% in 1H23
KAEF : Laboratory Testing Service Expansion

Domestic & Global News

After Pandemic, Developers Choose to Build Houses for the Upper Middle Class
Oil Settles Above April Peak on Tighter Supply

Sectors

	Last	Chg.	%
Transportation & Logistic	1936.03	-20.81	-1.06%
Healthcare	1526.93	-16.15	-1.05%
Energy	1954.06	-19.85	-1.01%
Infrastructure	844.46	-7.57	-0.89%
Industrial	1203.86	-8.48	-0.70%
Property	752.37	-4.00	-0.53%
Finance	1430.86	-3.40	-0.24%
Consumer Non-Cyclicals	748.96	0.01	0.00%
Basic Material	1066.10	0.10	0.01%
Technology	4770.21	2.14	0.04%
Consumer Cyclicals	932.41	1.44	0.15%

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 27	6,896.66
Chg.	51.62 pts (-0.74%)
Volume (bn shares)	18.44
Value (IDR tn)	10.28
Up 206 Down 306 Unchanged 164	

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
TLKM	888.9	BBNI	381.7
BBCA	724.7	ASII	181.8
BBRI	624.0	UNTR	172.9
BMRI	488.5	BOGA	166.5
MAHA	450.7	UNVR	158.3

Foreign Transaction

(IDR bn)

Buy			4,114
Sell			4,595
Net Buy (Sell)			(481)
Top Buy	NB Val.	Top Sell	NS Val.
BBRI	68.3	TLKM	210.0
BMRI	56.5	BBNI	194.9
FILM	44.7	ASII	92.9
KLBF	32.9	UNVR	80.3
AKRA	28.7	SIDO	73.8

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.24%	-0.02%
USDIDR	15,000	-0.12%
KRWIDR	11.74	-0.40%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,282.72	(237.40)	-0.67%
S&P 500	4,537.41	(29.34)	-0.64%
FTSE 100	7,692.76	15.87	0.21%
DAX	16,406.03	274.57	1.70%
Nikkei	32,891.16	222.82	0.68%
Hang Seng	19,639.11	273.97	1.41%
Shanghai	3,216.67	(6.36)	-0.20%
Kospi	2,603.81	11.45	0.44%
EIDO	23.33	(0.49)	-2.06%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,946.0	(26.1)	-1.32%
Crude Oil (\$/bbl)	80.09	1.31	1.66%
Coal (\$/ton)	134.00	0.00	0.00%
Nickel LME (\$/MT)	21,689	99.0	0.46%
Tin LME (\$/MT)	28,680	(330.0)	-1.14%
CPO (MYR/Ton)	4,026	(36.0)	-0.89%

MTEL : Profit Rises 14% to Rp 1.02 Trillion in 1H23

PT Dayamitra Telekomunikasi Tbk (MTEL) aka Mitratel managed to score performance growth throughout the first semester of 2023. This state-owned tower company managed to obtain revenue of Rp 4.12 trillion and profit of Rp 1.02 trillion. Revenue jumped 10.81% YoY and profit jumped 14.65% YoY. The increase in revenue came from telecommunications tower rental revenue which grew 15.58% YoY. (Kontan)

HMSP : Profit Surged 23% in 1H23

PT HM Sampoerna Tbk (HMSP) posted positive financial performance throughout the first semester of 2023. The cigarette issuer's revenue and net profit both strengthened. HMSP recorded sales of Rp 56.15 trillion in the first semester of 2023, up 4.95% compared to the first semester of 2022. Net profit was Rp 3.75 trillion in the first semester of 2023. The profit realization increased 23.02% from the same period the previous year of Rp 3.04 trillion. (Kontan)

KAEF : Laboratory Testing Service Expansion

PT Kimia Farma Tbk (KAEF) is committed to continuously improving the quality of products and services in order to maintain customer confidence in laboratory examination results. Not only does KAEF add new laboratory facilities, but also by standardizing laboratory equipment throughout Indonesia for hematology, clinical chemistry, urinalysis and immunology examinations. (Kontan)

Domestic & Global News

After Pandemic, Developers Choose to Build Houses for the Upper Middle Class

The residential property market, especially landed houses, is back on track after the lifting of the Restrictions on Community Activities (PPKM). There is a shift in trends that occur in terms of supply production by developers. Director of Strategic Consulting Indonesia, Arief Rahardjo, said that market confidence in housing products continues to grow. Demand for middle segment landed houses is now accelerating at 26% of total demand. Meanwhile, the high-end landed house segment also continues to show an increase in demand which represents around 23.9% of the total units sold. Most of the demand comes from end-users, around 77%. The end-user profile of landed home buyers are first-time homeowners and more established families who are looking for larger homes to fulfill their growing needs. In terms of supply, high-end segment units dominated the new supply this semester with 34.3% of the total supply of 4,445 units, followed by the middle segment at 27.3%. According to Arief, this shows developers' confidence in the market by introducing high-end products in various housing estates, signaling their optimism in the overall market confidence and potential. Advancements in transportation infrastructure have also contributed to the rate of increase in land prices. As a result, the annual average selling price saw a significant increase of 4.49%. (Bisnis)

Oil Settles Above April Peak on Tighter Supply

Oil settled higher Thursday, with Brent crude topping USD 84 a barrel for the first time since April, supported by supply tightness following OPEC+ production cuts and renewed bullishness on the outlook for Chinese demand and global growth. Crude has posted four consecutive weekly gains on an expected tightening of supply because of output cuts by the Organization of the Petroleum Exporting Countries (OPEC) and its allies, known collectively as OPEC+, as well as some involuntary outages. Brent crude settled up USD 1.32, or 1.6%, to USD 84.35 a barrel while U.S. West Texas Intermediate (WTI) crude settled up by USD 1.31, or 1.7%, to \$80.09. Still, oil dropped on Wednesday after data showed U.S. crude inventories fell less than expected and the U.S. Federal Reserve raised interest rates by a quarter of a percentage point, leaving the way open for another increase. Risk appetite in wider financial markets is being boosted by growing expectations that central banks such as the Fed are nearing the end of policy tightening campaigns, which would boost the outlook for global growth and energy demand. (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							3,716.7							
BBCA	9,225	8,550	10,200	Overweight	10.6	25.9	1,137.2	24.2x	5.1x	21.9	2.2	22.2	34.2	0.9
BBRI	5,650	4,940	6,000	Overweight	6.2	30.8	856.3	15.7x	3.0x	19.8	5.1	10.3	28.8	1.1
BBNI	8,900	9,225	12,000	Buy	34.8	14.5	166.0	8.4x	1.2x	14.9	4.4	12.2	17.0	1.2
BMRI	5,625	4,963	6,300	Overweight	12.0	38.9	525.0	12.0x	2.4x	21.2	4.7	16.0	25.1	1.3
AMAR	296	232	392	Buy	32.4	2.1	5.4	N/A	1.3x	(4.3)	N/A	0.7	N/A	0.9
Consumer Non-Cyclicals							1,200.3							
INDF	7,250	6,725	8,600	Buy	18.6	3.6	63.7	8.1x	1.1x	14.4	3.5	11.3	62.8	0.5
ICBP	11,175	10,000	13,000	Buy	16.3	20.5	130.3	19.7x	3.3x	17.3	1.7	11.4	104.2	0.5
UNVR	3,840	4,700	4,850	Buy	26.3	(18.6)	146.5	31.2x	37.2x	110.4	3.6	(5.5)	(20.0)	0.5
MYOR	2,400	2,500	3,200	Buy	33.3	33.3	53.7	22.6x	4.0x	19.1	1.5	11.4	135.7	0.7
CPIN	4,980	5,650	5,500	Overweight	10.4	(15.6)	81.7	41.2x	3.1x	7.5	2.2	1.9	(79.5)	0.5
JPFA	1,260	1,295	1,300	Hold	3.2	(17.1)	14.8	25.9x	1.2x	4.5	4.0	(3.2)	N/A	0.6
AALI	8,000	8,025	9,200	Buy	15.0	(14.9)	15.4	10.5x	0.7x	6.8	5.1	(27.7)	(53.5)	1.0
Consumer Cyclicals							419.6							
ERAA	478	392	600	Buy	25.5	(4.0)	7.6	7.9x	1.1x	14.2	4.0	28.9	(21.1)	0.8
MAPI	2,000	1,445	2,000	Hold	-	119.8	33.2	15.6x	3.7x	27.0	0.4	27.3	(5.2)	0.7
Healthcare							290.4							
KLBF	1,905	2,090	2,300	Buy	20.7	12.7	89.3	26.0x	4.2x	16.4	2.0	12.2	3.1	0.4
SIDO	650	755	1,000	Buy	53.8	(33.3)	19.5	17.6x	6.0x	34.0	5.6	2.6	0.6	0.6
MIKA	2,890	3,190	3,000	Hold	3.8	7.0	41.2	41.6x	7.1x	17.9	1.3	(6.0)	(14.5)	0.3
Infrastructure							864.60							
TLKM	3,720	3,750	5,000	Buy	34.4	(13.5)	368.5	17.5x	2.7x	16.0	4.5	2.5	5.0	0.8
JSMR	3,750	2,980	5,100	Buy	36.0	6.8	27.2	9.5x	1.2x	13.2	2.0	21.2	34.3	0.8
EXCL	2,070	2,140	3,800	Buy	83.6	(12.7)	27.2	19.4x	1.0x	5.1	2.0	11.9	23.1	0.8
TOWR	1,020	1,100	1,370	Buy	34.3	(15.0)	52.0	15.2x	3.3x	23.8	2.4	9.4	(11.8)	0.3
TBIG	1,910	2,300	2,390	Buy	25.1	(39.9)	43.3	27.7x	3.7x	14.5	1.9	(1.4)	(25.6)	0.4
MTEL	670	800	865	Buy	29.1	(6.9)	56.0	30.5x	1.6x	5.3	3.2	9.9	9.1	N/A
WIKA	474	800	1,280	Buy	170.0	(49.0)	4.3	N/A	0.3x	(4.6)	N/A	37.4	N/A	1.2
PTPP	605	715	1,700	Buy	181.0	(32.8)	3.8	13.3x	0.3x	2.5	N/A	1.9	20.0	1.1
Property & Real Estate							273.0							
CTRA	1,100	940	1,500	Buy	36.4	26.4	20.4	11.0x	1.1x	10.2	1.4	(4.6)	(4.3)	0.9
PWON	484	456	690	Buy	42.6	8.5	23.3	13.2x	1.3x	10.3	1.3	5.9	60.5	1.1
Energy							1,334.3							
PGAS	1,365	1,760	1,770	Buy	29.7	(15.7)	33.1	7.2x	0.8x	10.9	10.3	11.6	(20.0)	0.9
PTBA	2,830	3,690	4,900	Buy	73.1	(33.7)	32.6	2.8x	1.1x	41.1	38.7	21.4	(48.9)	1.0
ADRO	2,450	3,850	3,900	Buy	59.2	(25.3)	78.4	2.0x	0.8x	46.2	19.9	50.1	15.3	1.3
Industrial							439.0							
UNTR	26,375	26,075	32,000	Buy	21.3	(15.2)	98.4	4.4x	1.1x	27.2	26.6	24.7	26.6	0.9
ASII	6,525	5,700	8,000	Buy	22.6	7.0	264.2	8.6x	1.3x	16.3	9.8	15.5	27.2	1.1
Basic Ind.							1,129.9							
SMGR	6,675	6,575	9,500	Buy	42.3	4.2	45.1	16.9x	1.0x	6.1	3.7	4.5	(2.1)	0.9
INTP	10,200	9,900	12,700	Buy	24.5	10.9	37.5	17.3x	1.8x	10.0	1.6	19.3	109.8	0.8
INCO	6,650	7,100	8,200	Buy	23.3	17.7	66.1	19.1x	1.8x	9.9	1.4	54.5	45.6	1.2
ANTM	1,970	1,985	3,450	Buy	75.1	10.4	47.3	11.8x	1.9x	16.9	4.0	18.9	13.5	1.4

* Target Price

Source: Bloomberg, NHKS Research

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	US	20:45	S&P Global US Manufacturing PMI	Jul P	49.0	46.2	46.3
24 – July	GE	14:30	HCOB Germany Manufacturing PMI	Jul P	38.8	41.0	40.6
	JP	07:30	Jibun Bank Japan PMI Mfg	Jul P	49.4	—	49.8
Tuesday	US	21:00	Conf. Board Consumer Confidence	Jul	117.0	112.0	109.7
25 – July	ID	14:20	Bank Indonesia 7D Reverse Repo	Jul 24	5.75%	5.75%	5.75%
	GE	15:00	IFO Business Climate	Jul	87.3	88.0	88.5
	GE	15:00	IFO Expectations	Jul	83.5	83.5	83.6
	KR	06:00	GDP YoY	2Q A	0.9%	0.8%	0.9%
	KR	06:00	GDP SA QoQ	2Q A	0.6%	0.5%	0.3%
Wednesday	US	18:00	MBA Mortgage Applications	Jul 21	-1.8%	—	1.1%
26 – July	US	21:00	New Home Sales	Jun	697K	725K	763K
Thursday	US	01:00	FOMC Rate Decision (Upper Bound)	Jul 26	5.50%	5.50%	5.25%
27 – July	US	19:30	GDP Annualized QoQ	2Q A	2.4%	1.8%	2.0%
	US	19:30	Durable Goods Orders	Jun P	4.7%	1.3%	1.8%
	US	19:30	Initial Jobless Claims	Jul 22	221K	235K	228K
	GE	13:00	Gfk Consumer Confidence	Aug	-24.4	-24.8	-25.4
	KR	04:00	Business Survey Manufacturing	Aug	69	—	72
Friday	US	19:30	Personal Income	Jun		0.5%	0.4%
28 – July	US	19:30	Personal Spending	Jun		0.4%	0.1%
	US	21:00	U. of Mich. Sentiment	Jul F		72.6	72.6
	KR	06:00	Industrial Production YoY	Jun		-5.5%	-7.3%
	JP	06:30	Tokyo CPI Ex-Fresh Food YoY	Jul		2.9%	3.2%
	JP		BOJ Policy Balance Rate	Jul 28		-0.1%	-0.1%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	CSMI, ELTY, JATI
24 – July	Cum Dividend	—
Tuesday	RUPS	—
25 – July	Cum Dividend	—
Wednesday	RUPS	AKKU, BOLA
26 – July	Cum Dividend	—
Thursday	RUPS	PADA
27 – July	Cum Dividend	—
Friday	RUPS	DPUM, MTSM
28 – July	Cum Dividend	—

Source: Bloomberg



IHSG projection for 28 July 2023 :

KONSOLIDASI - Candle serupa Bearish Engulfing (= potensi trend reversal).

Support : 6880 / 6800 / 6765-6735 / 6685 / 6620-6600 / 6560-6550.

Resistance : 6950-6970 / 7000.

ADVISE : Hold, Wait & See.

BIPI—PT Astrindo Nusantara Infrastruktur TBK



PREDICTION 28 JULY 2023

Overview

Break garis Resistance mid-term.

Uji Support MA10 & MA20.

Uji Resistance MA50.

Advise

Speculative Buy.

Entry Level: 131-127

Average UP >135

Target: 138 / 148-150.

Stoploss: 125

BFIN—PT BFI Finance TBK



PREDICTION 28 JULY 2023

Overview

Uji Support lower channel – Uptrend jk.menengah.

Candle : serupa long-leg Hammer.

Advise

Speculative Buy.

Entry Level: 1305-1330

Average Up >1335

Target : 1360-1375 / 1400 / 1430 / 1475.

Stoploss : 1260.

AVIA—PT Avian Brands TBK



PREDICTION 28 JULY 2023

Overview

Uji Support lower channel.

Advise

Speculative Buy.

Entry Level: 615.

Average Up >625

Target: 640 / 675-680 / 700

Stoploss: 595.

INCO—PT Vale Indonesia Tbk



PREDICTION 28 JULY 2023

Overview

Pullback sejenak uji Support Moving Average.

Advise

Buy on Weakness.

Entry Level: 6650-6500

Average UP >6800

Target : 7000 / 7125-7200

Stoploss: 6400.

PGAS—PT Pertamina Gas Negara Tbk



PREDICTION 28 JULY 2023

Overview

Mulai break channel – downtrend jk.menengah
Uji Support MA10, MA50 dan upper channel.

Advise

Speculative Buy

Entry Level : 1365-1355

Average Up >1385-1395

Target: 1410 / 1475 / 1600-1635 / 1675.

Stoploss: 1340.

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