

Morning Brief

Daily | July 3, 2023

JCI Movement



Today's Outlook:

Wall Street's three major indexes advanced solidly on Friday (30/06/23), with the Nasdaq technology index leading a 1.45% gain while bagging a semi-annual gain of more than 31% (the largest in 40 years) as US Inflation data proved tame; prompting Apple stock breached the USD 3 trillion mark for the first time in history. Even the Nasdaq 100 index of top technology stocks boasted its biggest first half gain on record, adding around 39%. However, this was not the case for Indonesia which only had two trading days last week, during the first half of 2023 it posted a -2.75% decline. For the past 6 months, JCI has been moving sideways between the Support-Resistance range: 6550-6950. **Regional market investors were seen in excitement** on the last trading day of the second quarter of the year amid signs of cooling US inflation due to the Federal Reserve's tight monetary policy measures. The Commerce Department report showed the May Personal Consumption Expenditures (PCE) index rose just 3.8% compared to 4.3% in April. **While the core PCE index (excluding volatile food and energy) rose 0.3%**; down from 0.4% in the previous month. The data fueled hopes that the Fed could be nearing the end of its rate hike cycle, which immediately resulted in lower Treasury yields as a market response to taming inflation. Traders were pricing in an 84.3% chance (down slightly from the previous probability at 89.3%) that the Fed will hike rates by 25 bps to 5.25%-5.50% range in its July meeting, according to CME Group's FedWatch tool. Although hawkish remarks from Fed Chair Jerome Powell and strong economic data earlier this week boosted bets the Fed would keep hiking rates, but stock markets took comfort in signs of strength in the U.S. economy as inflation cooled.

JCI closed flat on Tuesday (27/06/23) followed by foreign net buy of IDR 77.53 billion, fairly low compared to foreign net sell of IDR 3.06 trillion that occurred throughout June. However, foreign net buy is still recorded at IDR 16.15trillion in the equity market (all markets) YTD. Throughout June, foreign investors were recorded accumulating GOTO, ICBP, ISAT, ADRO, BUMI shares with a significant amount. While on the sell side, foreign investors offloaded TLKM, BMRI, BBCA, BBRI, MDKA, PGAS over the past month. Considering the last JCI closing position which is still below MA10 & MA20, **NHKSI RESEARCH has not seen the potential for technical strengthening, although regional market sentiment has a bullish potential.** Thus, **Wait & See advice is still the wisest to apply**, while monitoring market direction & interest in order to adjust after last week's long holiday.

Company News

PWON : Disburse IDR 5.4 Trillion to Build 6th Superblock in Batam
ERAA : Prepare IDR 700 Billion for Massive Expansion
BEER : Optimistic Business Performance in 2023 to Grow by 50%

Domestic & Global News

Mall Retail Rental Prices Predicted to Rise 5-10%
Oil Settles Higher but Posts Fourth Straight Quarterly Decline

Sectors

	Last	Chg.	%
Energy	1737.97	-27.38	-1.55%
Technology	4780.31	-34.03	-0.71%
Industrial	1162.07	-3.48	-0.30%
Basic Material	993.02	-1.06	-0.11%
Infrastructure	850.50	-0.19	-0.02%
Healthcare	1481.62	0.48	0.03%
Property	727.05	0.88	0.12%
Consumer Non-Cyclicals	742.41	2.18	0.29%
Transportation & Logistic	1900.69	10.51	0.56%
Consumer Cyclicals	876.22	4.87	0.56%
Finance	1417.70	15.95	1.14%

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)	139.30	144.20	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	4.00%	4.33%	Cons. Confidence*	128.30	126.10

JCI Index

June 27	6,661.88
Chg.	2.79 pts (-0.04%)
Volume (bn shares)	16.52
Value (IDR tn)	7.99
Up 249 Down 243 Unchanged 179	

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BBRI	605.5	ASII	247.8
BMRI	529.5	BOGA	172.5
GOTO	438.9	PTBA	172.2
BBCA	330.5	BBNI	155.2
TLKM	260.4	NATO	142.8

Foreign Transaction

(IDR bn)

Buy			2,903
Sell			2,825
Net Buy (Sell)			78
Top Buy	NB Val.	Top Sell	NS Val.
BMRI	121.9	MDKA	32.4
BBRI	97.4	SMGR	23.3
ICBP	73.6	ASII	22.0
BBCA	48.7	AKRA	22.0
MFIN	36.2	GOTO	15.9

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.26%	-0.03%
USDIDR	14,993	-0.15%
KRWIDR	11.55	0.33%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,407.60	285.18	0.84%
S&P 500	4,450.38	53.94	1.23%
FTSE 100	7,531.53	59.84	0.80%
DAX	16,147.90	201.18	1.26%
Nikkei	33,189.04	(45.10)	-0.14%
Hang Seng	18,916.43	(17.93)	-0.09%
Shanghai	3,202.06	19.68	0.62%
Kospi	2,564.28	14.26	0.56%
EIDO	23.05	0.11	0.48%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,919.4	11.2	0.58%
Crude Oil (\$/bbl)	70.64	0.78	1.12%
Coal (\$/ton)	128.05	0.15	0.12%
Nickel LME (\$/MT)	20,516	(118.0)	-0.57%
Tin LME (\$/MT)	26,787	689.0	2.64%
CPO (MYR/Ton)	3,789	34.0	0.91%

PWON : Disburse IDR 5.4 Trillion to Build 6th Superblock in Batam

PT Pakuwon Jati Tbk (PWON) will build a new superblock in Batam. PWON has completed a 12.4 hectare (ha) land acquisition transaction with a value of Rp 372 billion in Batam to realize the expansion plan. The Batam superblock is planned to consist of 1 shopping center/mall with a net leasable area (NLA) of 100,000 square meters in the first phase, 2 hotels with 610 rooms, and 1 high end and 2 middle class high rise residential towers. The project requires Rp5.4 trillion which will be funded from the company's internal cash. (Kontan)

BEER : Optimistic Business Performance in 2023 to Grow by 50%

Issuer that produces alcoholic beverages, PT Jobubu Jarum Minahasa Tbk (BEER) is optimistic that its 2023 performance can grow by 50%. This is driven by a production volume capacity of 90 million liters per year and a large domestic alcoholic beverage market. (Kontan)

ERAA : Prepare IDR 700 Billion for Massive Expansion

PT Erajaya Swasembada Tbk (ERAA) will continue its expansion by building 500 new stores this year, with a capital expenditure allocation of more than Rp 700 billion. The company plans to open 500 new stores this year through various business lines such as Erajaya Digital, Erajaya Active Lifestyle, Erajaya Beauty and Wellness, and Erajaya Food and Nourishment. (Emiten News)

Domestic & Global News

Mall Retail Rental Prices Predicted to Rise 5-10%

Rental prices for retail space in shopping centers or malls are expected to increase as the sector recovers after the Covid-19 pandemic. Head of Retail Services Colliers Indonesia, Sander Halsema, predicts that there will be rental price growth with an average of 5-10%, depending on the performance of each mall's occupancy rate. According to Sander, mall managers who are able to maintain average occupancy levels at a healthy level during the pandemic, they will be more confident in setting a higher percentage of rent increases post-pandemic. On the other hand, although the condition of some shopping centers has improved, mall managers are expected to take a little longer for their tenants to fully recover from the impact of the pandemic. Based on Colliers Indonesia data, the average occupancy rate of malls in Jakarta remained stagnant at 69% in the first quarter of 2020. (Bisnis)

Oil Settles Higher but Posts Fourth Straight Quarterly Decline

Oil prices settled higher on Friday but posted their fourth straight quarterly loss as investors worried that sluggish global economic activity could crimp fuel demand. Benchmark Brent crude futures for August delivery which expires on Friday, settled up 56 cents, or 0.8%, at USD 74.90. In the three months to the end of June, the contract finished down 6%. U.S. West Texas Intermediate crude (WTI) settled up 78 cents, or 1.1% at USD 70.64 a barrel. It posted its second straight quarterly drop, down about 6.5% in the latest three months. Prices have been under pressure from rising interest rates in key economies and a slower than expected recovery in Chinese manufacturing and consumption. Signs of strengthening U.S. economic activity and sharp declines in U.S. oil inventories last week offered some support. (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							3,586.2							
BBCA	9,150	8,550	10,050	Overweight	9.8	24.5	1,128.0	25.5x	5.3x	21.8	2.2	22.1	44.6	0.9
BBRI	5,425	4,940	6,000	Overweight	10.6	26.8	822.2	15.0x	2.9x	19.8	5.3	10.3	28.8	1.1
BBNI	9,150	9,225	12,000	Buy	31.1	13.7	170.6	8.7x	1.2x	14.7	4.3	12.5	31.6	1.3
BMRI	5,200	4,963	6,300	Buy	21.2	26.4	485.3	11.1x	2.2x	21.2	5.1	16.0	25.1	1.3
Consumer Non-Cyclicals							1,188.7							
ICBP	11,325	10,000	13,000	Overweight	14.8	19.2	132.1	20.0x	3.3x	17.3	1.9	11.4	104.2	0.4
UNVR	4,260	4,700	4,850	Overweight	13.8	(14.5)	162.5	34.2x	30.4x	81.0	3.6	(2.2)	(30.2)	0.5
MYOR	2,610	2,500	3,200	Buy	22.6	27.3	58.4	24.6x	4.4x	19.1	1.3	11.4	135.7	0.7
CPIN	5,275	5,650	5,500	Hold	4.3	(10.6)	86.5	43.6x	3.3x	7.5	2.0	1.9	(79.5)	0.5
JPFA	1,340	1,295	1,300	Hold	(3.0)	(14.4)	15.7	27.5x	1.2x	4.5	3.7	(3.2)	N/A	0.7
AAJI	7,475	8,025	9,200	Buy	23.1	(23.1)	14.4	9.8x	0.7x	6.8	5.4	(27.7)	(53.5)	1.0
Consumer Cyclicals							388.6							
ERA4	476	392	600	Buy	26.1	(9.3)	7.6	7.9x	1.1x	14.2	4.8	28.9	(21.1)	0.8
MAPI	1,690	1,445	2,000	Buy	18.3	85.7	28.1	14.0x	3.3x	27.1	N/A	32.5	(30.6)	0.7
Healthcare							286.0							
KLBF	2,050	2,090	2,300	Overweight	12.2	20.9	96.1	27.9x	4.5x	16.4	1.9	12.2	3.1	0.4
SIDO	730	755	1,000	Buy	37.0	(25.9)	21.9	19.7x	7.0x	35.8	5.0	3.0	1.8	0.6
MIKA	2,690	3,190	3,000	Overweight	11.5	1.5	38.3	38.7x	6.6x	17.9	1.4	(6.0)	(14.5)	0.2
Infrastructure							876.50							
TLKM	4,000	3,750	5,000	Buy	25.0	(1.7)	396.2	18.8x	2.9x	16.0	4.2	2.5	5.0	0.8
JSMR	3,800	2,980	5,100	Buy	34.2	1.6	27.6	9.7x	1.2x	13.2	2.0	21.2	34.3	0.8
EXCL	1,955	2,140	3,800	Buy	94.4	(27.1)	25.7	18.3x	1.0x	5.1	2.1	11.9	23.1	0.8
TOWR	1,055	1,100	1,370	Buy	29.9	2.9	53.8	15.8x	3.5x	23.8	2.3	9.4	(11.8)	0.3
TBIG	2,010	2,300	2,390	Buy	18.9	(31.2)	45.5	29.1x	3.9x	14.5	1.8	(1.4)	(25.6)	0.4
MTEL	665	800	865	Buy	30.1	(5.7)	55.5	31.7x	1.6x	5.3	3.2	9.9	9.1	N/A
WIKA	505	800	1,280	Buy	153.5	(47.9)	4.5	N/A	0.4x	(4.6)	N/A	37.4	N/A	1.2
PTPP	605	715	1,700	Buy	181.0	(37.0)	3.8	13.3x	0.3x	2.5	N/A	1.9	20.0	1.1
Property & Real Estate							255.4							
CTRA	1,060	940	1,500	Buy	41.5	20.5	19.6	10.6x	1.0x	10.2	1.3	(4.6)	(4.3)	0.9
PWON	488	456	690	Buy	41.4	(1.6)	23.5	13.3x	1.3x	10.3	0.8	5.9	60.5	1.1
Energy							1,093.1							
PGAS	1,305	1,760	1,770	Buy	35.6	(21.4)	31.6	6.9x	0.8x	10.9	10.8	11.6	(20.0)	0.9
PTBA	2,680	3,690	4,900	Buy	82.8	(32.5)	30.9	2.7x	1.0x	41.1	40.8	21.4	(48.9)	1.0
ADRO	2,230	3,850	3,900	Buy	74.9	(24.7)	71.3	1.8x	0.7x	46.2	21.8	50.1	15.3	1.3
Industrial							449.2							
UNTR	23,275	26,075	32,000	Buy	37.5	(20.3)	86.8	3.9x	1.0x	27.2	30.1	24.7	26.6	0.9
ASII	6,775	5,700	8,000	Buy	18.1	1.9	274.3	8.9x	1.4x	16.3	9.4	15.5	27.2	1.1
Basic Ind.							941.3							
SMGR	6,075	6,575	9,500	Buy	56.4	(16.8)	41.0	15.4x	0.9x	6.1	4.0	4.5	(2.1)	0.8
INTP	9,925	9,900	12,700	Buy	28.0	1.8	36.5	16.8x	1.7x	10.0	1.6	19.3	109.8	0.8
INCO	6,300	7,100	8,200	Buy	30.2	6.8	62.6	18.1x	1.7x	9.9	1.4	54.5	45.6	1.2
ANTM	1,950	1,985	3,450	Buy	76.9	3.2	46.9	11.7x	1.8x	16.9	4.1	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	Jun F	—	—	46.3
3 – July	US	21:00	ISM Manufacturing	Jun	47.1	—	46.9
	CH	08:45	Caixin China PMI Mfg	Jun	50.0	—	50.9
	ID	07:30	S&P Global Indonesia PMI Mfg	Jun	—	—	50.3
	ID	11:00	CPI YoY	Jun	3.68%	—	4.00%
	GE	14:55	HCOB Germany Manufacturing PMI	Jun F	—	—	41.0
	KR	07:30	S&P Global South Korea PMI Mfg	Jun	—	—	48.4
	JP	06:50	Tankan Large Mfg Index	2Q	3	—	1
	JP	06:50	Tankan Large Non-Mfg Index	2Q	22	—	20
	JP	06:50	Tankan Large Mfg Outlook	2Q	4	—	3
	JP	06:50	Tankan Large All Industry Capex	2Q	9.9%	—	3.2%
	JP	07:30	Jibun Bank Japan PMI Mfg	Jun F	—	—	49.8
Tuesday	KR	06:00	CPI YoY	Jun	—	—	3.3%
4 – July	JP	06:50	Monetary Base YoY	Jun	—	—	-1.1%
Wednesday	US	21:00	Factory Orders	May	—	—	0.4%
5 – July	US	21:00	Durable Goods Orders	May F	—	—	—
Thursday	US	18:00	MBA Mortgage Applications	Jun 30	—	—	—
6 – July	US	19:15	ADP Employment Change	Jun	—	—	278K
	US	19:30	Trade Balance	May	-70.5bn	—	-74.6bn
	US	19:30	Initial Jobless Claims	Jul 1	—	—	—
	GE	13:00	Factory Orders MoM	May	—	—	-0.4%
Friday	US	19:30	Change in Nonfarm Payrolls	Jun	213K	—	339K
7 – July	US	19:30	Unemployment Rate	Jun	3.7%	—	3.7%
	ID	10:00	Foreign Reserves	Jun	—	—	\$139.3
	GE	13:00	Industrial Production SA MoM	May	—	—	0.3%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	—
3 – July	Cum Dividend	ALDO, CBPE, CHIP, CRAB, IFII, LSIP, MAPA, MAPI, MICE, RMKE, SHIP, SIMP
Tuesday	RUPS	—
4 – July	Cum Dividend	ACES, AXIO, CAMP, DPNS, INDS, IPCM, KKG, MFMI, MKPI, LAJU, RUIS
Wednesday	RUPS	—
5 – July	Cum Dividend	AMAG, AMFG, ASRM, BIRD, CFIN, DVLA, LSIP, SIMP, TRJA, UNVR
Thursday	RUPS	—
6 – July	Cum Dividend	BLUE, ICBP, INDF, INDR, PANS, PMJS, SOHO, IDPR
Friday	RUPS	—
7 – July	Cum Dividend	GGRM

Source: Bloomberg



IHSG projection for 3 July 2023 :

KONSOLIDASI / BULLISH - Uji Resistance MA20 & MA10.

Support : 6620-6600 / 6560-6550.

Resistance : 6670-6680 / 6745-6765 / 6950-6960 / 7000 -7040.

ADVISE : Wait & See ; OR Average Up accordingly.

BBTN—PT Bank Tabungan Negara TBK



PREDICTION 3 JULY 2023

Overview

Uji Support MA10 & Trendline mid-term.

Advise

Speculative Buy

Entry Level: 1320

Average Up >1350

Target: 1390-1400 / 1415-1430.

Stoploss: 1290.

CPIN—PT Charoen Pokphand Indonesia TBK



PREDICTION 3 JULY 2023

Overview

Uji Support MA10 & MA20, serta bullish Trendline jk.pendek.

Uji Resistance Neckline pattern (bullish reversal) CUP & HANDLE.

Advise

Buy On Break.

Entry Level: 5325-5375

Average Up >5400

Target : 5650-5800 / 5950-6000.

Stoploss : 5050.

PGAS—PT Pertamina Gas Negara TBK



PREDICTION 3 JULY 2023

Overview

Uji Support dari level previous Low

RSI positive divergence.

Uji Resistance MA10.

Advise

Speculative Buy.

Entry Level: 1305

Average Up >1315

Target: 1360-1375 / 1400 / 1450-1475 / 1520-1560.

Stoploss: 1280

SMGR—PT Semen Indonesia Tbk



PREDICTION 3 JULY 2023

Overview

Uji Support MA10 & bullish Trendline jk.pendek

Otw to Target pattern PARALLEL CHANNEL.

Advise

Speculative Buy

Entry Level: 6075-6050

Average Up >6250

Target : 6475-6550 / 6800 / 7000-7100.

Stoploss: 5950

EMTK—PT Elang Mahkota Teknologi Tbk



PREDICTION 3 JULY 2023

Overview

Uji Support Neckline pola (bullish reversal) INVERTED HEAD & SHOULDERS.

Test Resistance MA10

Advise

Speculative Buy.

Entry Level : 710-700.

Average Up >725

Target: 775-790 / 800-810 / 840

Stoploss: 670.

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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