

Morning Brief

Daily | July 7, 2023

JCI Movement



Today's Outlook:

The Dow Jones closed lower by 366 points/1.1% on Thursday (06/07/23), leading the weakness between the Nasdaq and the S&P 500, as economic data showing the job market continues to run hot sparked a flurry of bets on further Federal Reserve rate hikes; sending Treasury yields surging higher ahead of the monthly jobs report due Friday. US ADP Nonfarm Employment Change turned out to record 497 thousand new jobs in the private sector in June, far above economists' estimates of 228 thousand and last month's 267 thousand. The data gave a more significant negative sentiment to the market because the actual Initial Jobless Claims also turned out to be slightly higher than expected, and the US JOLTS Job Openings data for May was also below expectations. Stoking market fears that the Fed is likely to follow its guidance for two more hikes. Adding to the signs of economic strength, service sector activity data as reflected in the US ISM Non-Manufacturing PMI expanded further, supported by rising demand; although prices paid both by consumers as well as at the producer level (as an indicator of inflation), fell more than the 3-year low. In response to the economic data announcement above, **Treasury yields jumped in anticipation of more Fed tightening ahead**, with the 2-year yield and 10-year yield topping 5% and 4%, respectively. Currently, market participants priced in a 93% chance that the US central bank will raise interest rates this July, as quoted from Investing.com's Fed Rate Monitor Tool. **From continental Europe, German Factory Orders in May also jumped significantly above estimates**, growing 6.4% (higher than the consensus of 1.2%, and April's 0.2%). Unfortunately, business activity elsewhere was still sluggish, with UK Construction PMI in June falling into contractionary territory and Retail Sales (May) for Eurozone unable to recover from the previous month's negative growth. **In terms of commodities, Energy sector stocks led the overall market** weakness even though crude oil prices rebounded from their low as weekly data showed US oil inventories fell by 1508 million barrels, greater than the forecast of 983 thousand. Consumer sector stocks came under pressure as fears of weakening demand due to mortgage rates skyrocketing to their highest level this year. Meanwhile, although the Technology sector struggled to counteract the effects of rising bond yields making it more expensive for growth stocks, Microsoft managed to post a 1% gain helped by optimism around the AI space.

The JCI rejoiced, continuing its bullish movement on Thursday, as it managed to save 38.35 points to 6757.33, re-entering the critical Resistance area in the last 1.5 months. Considering the negative sentiment rolling in the regional market, there is a possibility that JCI's further upside potential could be hampered, as investors/traders tend to be more cautious at the end of the week. **NHHSI RESEARCH suggests to Wait & See** for a breakout of JCI's strong bullish strength, before deciding to Average Up further.

Company News

MIDI : Targeted 200 New Outlets Expansion
ASII : Prepares Rp40 Trillion Funds
EXCL : Install 4G Network across LRT Lines

Domestic & Global News

Agreed with IMF, Economists Ask the Government to Evaluate Downstreaming
Meta Takes Aim At Twitter With Threads App, Millions Join

Sectors

	Last	Chg.	%
Consumer Cyclical	912.79	19.42	2.17%
Energy	1836.94	35.65	1.98%
Industrial	1192.38	11.71	0.99%
Basic Material	1021.00	9.66	0.96%
Property	736.16	5.35	0.73%
Technology	4774.82	26.04	0.55%
Transportation & Logistic	1948.89	5.13	0.26%
Infrastructure	863.76	0.59	0.07%
Finance	1422.70	0.48	0.03%
Consumer Non-Cyclicals	754.59	0.19	0.03%
Healthcare	1480.51	-2.80	-0.19%

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	3.52%	4.00%	Cons. Confidence*	128.30	126.10

JCI Index

July 6	6,757.33
Chg.	38.35 pts (+0.57%)
Volume (bn shares)	21.21
Value (IDR tn)	9.63
Up 295 Down 197 Unchanged 179	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBRI	594.0	ASII	240.6
BMRI	480.5	BBNI	220.0
BBCA	475.8	GOTO	199.5
GJTL	387.8	BMTR	192.5
TLKM	270.2	BOGA	180.7

Foreign Transaction

(IDR bn)			
Buy			
Buy	3,416		
Sell			
Sell	3,156		
Net Buy (Sell)	260		
Top Buy	NB Val.	Top Sell	NS Val.
ASII	69.2	BBNI	40.4
FILM	57.8	BBCA	38.9
BBRI	52.4	ANTM	24.2
MAPI	32.8	INDF	23.7
KLBF	31.2	UNVR	17.5

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.20%	0.03%
USDIDR	15,045	0.20%
KRWIDR	11.57	0.05%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,922.26	(366.38)	-1.07%
S&P 500	4,411.59	(35.23)	-0.79%
FTSE 100	7,280.50	(161.60)	-2.17%
DAX	15,528.54	(409.04)	-2.57%
Nikkei	32,773.02	(565.68)	-1.70%
Hang Seng	18,533.05	(577.33)	-3.02%
Shanghai	3,205.58	(17.37)	-0.54%
Kospi	2,556.29	(22.71)	-0.88%
EIDO	22.82	(0.27)	-1.17%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,910.9	(4.4)	-0.23%
Crude Oil (\$/bbl)	71.80	0.01	0.01%
Coal (\$/ton)	139.65	(5.15)	-3.56%
Nickel LME (\$/MT)	21,209	2.0	0.01%
Tin LME (\$/MT)	28,530	897.0	3.25%
CPO (MYR/Ton)	3,911	49.0	1.27%

MIDI : Targeted 200 New Outlets Expansion

The company that manages Alfamidi and Lawson outlets, PT Midi Utama Indonesia Tbk (MIDI) stated that it is still optimistic about its target of building 200 new Alfamidi outlets and 500 Lawson outlets. MIDI aggressively added outlets in the first quarter of this year. By the end of 2022, MIDI has a total of 2,363 outlets and in the first three months of this year, Alfamidi has added 148 outlets to 2,511 outlets. (Kontan)

ASII : Prepares Rp40 Trillion Funds

PT Astra International Tbk (ASII) has a plan for the company's investment, which allocates funds of up to IDR 40 trillion to expand into the consumer, health care, and renewable energy sectors. The investment will be implemented in two ways. First, investment in existing businesses, such as Astra International's investment in the automotive business by developing the mobility sector. Second, in investing, ASII considers investing in businesses that provide synergies with existing businesses. (Emiten News)

EXCL : Install 4G Network across LRT Lines

One of the new modes of transportation, Light Rail Transit or Lintas Rel Terpadu (LRT) that connects Jakarta with its surrounding buffer cities will soon be in operation, certainly thousands of people will take advantage of this mode of transportation. Seeing this condition, PT XL Axiata Tbk (XL Axiata) ensures that the data network is ready to serve the entire LRT line. (Emiten News)

Domestic & Global News

Agreed with IMF, Economists Ask the Government to Evaluate Downstreaming

The International Monetary Fund (IMF) has asked the government to gradually lift the commodity export ban policy. CELIOS economists also advise the government to evaluate downstream policies. According to the IMF, the commodity export ban policy has a ripple effect on other countries. The IMF also believes that the Indonesian government needs to consider the long-term benefits and costs of the policy. Director of the Center of Economic and Law Studies (Celios) Bhima Yudhistira advised the government to evaluate the policy of a total ban on commodity exports. According to Bhima, the output of the downstream program is still far from the government's initial expectations. For example, in nickel commodities, he said the exported products should have been in the form of electric cars or batteries. However, what is exported is still semi-finished goods. In addition, the government provides massive fiscal incentives to support the downstream. He considered, this actually eroded the tax base and affected the low tax ratio in the country. Bhima said that instead of implementing a total export ban policy, the government could implement a policy that plays tariffs or other forms of policy. (Bisnis)

Meta Takes Aim At Twitter With Threads App, Millions Join

Meta Platforms (META.O) on Wednesday launched a direct challenge to Twitter with Threads, garnering millions of users in hours as it sought to take advantage of its rival's much-weakened state after a series of chaotic decisions from owner Elon Musk. Those quick to join the new platform included celebrities such as Kim Kardashian and Jennifer Lopez as well as prominent politicians such as Democratic U.S. Representative Alexandria Ocasio-Cortez. "Let's do this. Welcome to Threads," Meta CEO Mark Zuckerberg wrote in his first post on the app, along with a fire emoji. He said the app logged 10 million sign-ups in seven hours. Analysts have said Threads' ties to Instagram might give it a built-in user base and advertising apparatus. That could siphon ad dollars from Twitter at a time when its new CEO is trying to revive its struggling business. While Threads launched as a standalone app, users can log in using their Instagram credentials and follow the same accounts, potentially making it an easy addition to existing habits for Instagram's more than 2 billion monthly active users. Others saw the launch of Threads as an opportunity to create a less toxic version of Twitter. (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							3,617.3							
BBCA	9,075	8,550	10,050	Overweight	10.7	24.3	1,118.7	25.3x	5.3x	21.8	2.3	22.1	44.6	0.9
BBRI	5,425	4,940	6,000	Overweight	10.6	33.0	822.2	15.0x	2.9x	19.8	5.3	10.3	28.8	1.1
BBNI	9,100	9,225	12,000	Buy	31.9	19.0	169.7	8.7x	1.2x	14.7	4.3	12.5	31.6	1.3
BMRI	5,300	4,963	6,300	Buy	18.9	40.9	494.7	11.3x	2.3x	21.2	5.0	16.0	25.1	1.3
AMAR	284	232	392	Buy	38.0	4.9	5.2	N/A	1.2x	(4.3)	N/A	0.7	N/A	0.9
Consumer Non-Cyclicals							1,210.1							
ICBP	11,400	10,000	13,000	Overweight	14.0	20.6	132.9	20.1x	3.3x	17.3	1.9	11.4	104.2	0.4
UNVR	4,250	4,700	4,850	Overweight	14.1	(11.1)	162.1	34.1x	30.3x	81.0	3.3	(2.2)	(30.2)	0.5
MYOR	2,640	2,500	3,200	Buy	21.2	34.0	59.0	24.9x	4.4x	19.1	1.3	11.4	135.7	0.7
CPIN	5,375	5,650	5,500	Hold	2.3	(6.1)	88.1	44.4x	3.3x	7.5	2.0	1.9	(79.5)	0.5
JPFA	1,375	1,295	1,300	Underweight	(5.5)	(5.5)	16.1	28.2x	1.3x	4.5	3.6	(3.2)	N/A	0.7
AALI	7,675	8,025	9,200	Buy	19.9	(18.4)	14.8	10.1x	0.7x	6.8	5.3	(27.7)	(53.5)	1.0
Consumer Cyclicals							401.3							
ERAA	480	392	600	Buy	25.0	(4.0)	7.7	8.0x	1.1x	14.2	4.7	28.9	(21.1)	0.8
MAPI	1,810	1,445	2,000	Overweight	10.5	101.1	30.0	15.0x	3.6x	27.1	0.4	32.5	(30.6)	0.7
Healthcare							284.5							
KLBF	1,990	2,090	2,300	Buy	15.6	18.1	93.3	27.1x	4.3x	16.4	1.9	12.2	3.1	0.4
SIDO	730	755	1,000	Buy	37.0	(25.5)	21.9	19.7x	7.0x	35.8	5.0	3.0	1.8	0.6
MIKA	2,620	3,190	3,000	Overweight	14.5	(3.0)	37.3	37.7x	6.4x	17.9	1.4	(6.0)	(14.5)	0.2
Infrastructure							882.07							
TLKM	3,960	3,750	5,000	Buy	26.3	(1.5)	392.3	18.6x	2.9x	16.0	4.2	2.5	5.0	0.8
JSMR	3,980	2,980	5,100	Buy	28.1	10.6	28.9	10.1x	1.3x	13.2	1.9	21.2	34.3	0.8
EXCL	2,040	2,140	3,800	Buy	86.3	(8.9)	26.8	19.1x	1.0x	5.1	2.1	11.9	23.1	0.8
TOWR	1,110	1,100	1,370	Buy	23.4	(1.8)	56.6	16.6x	3.6x	23.8	2.2	9.4	(11.8)	0.3
TBIG	2,020	2,300	2,390	Buy	18.3	(32.0)	45.8	29.3x	3.9x	14.5	1.7	(1.4)	(25.6)	0.4
MTEL	675	800	865	Buy	28.1	(6.3)	56.4	32.1x	1.7x	5.3	3.2	9.9	9.1	N/A
WIKA	500	800	1,280	Buy	156.0	(45.4)	4.5	N/A	0.4x	(4.6)	N/A	37.4	N/A	1.2
PTPP	605	715	1,700	Buy	181.0	(32.4)	3.8	13.3x	0.3x	2.5	N/A	1.9	20.0	1.1
Property & Real Estate							254.1							
CTRA	1,050	940	1,500	Buy	42.9	27.3	19.5	10.5x	1.0x	10.2	1.3	(4.6)	(4.3)	0.9
PWON	488	456	690	Buy	41.4	9.9	23.5	13.3x	1.3x	10.3	0.8	5.9	60.5	1.1
Energy							1,106.5							
PGAS	1,360	1,760	1,770	Buy	30.1	(11.1)	33.0	7.2x	0.8x	10.9	10.4	11.6	(20.0)	0.9
PTBA	2,810	3,690	4,900	Buy	74.4	(27.2)	32.4	2.8x	1.1x	41.1	38.9	21.4	(48.9)	1.0
ADRO	2,450	3,850	3,900	Buy	59.2	(11.6)	78.4	2.0x	0.8x	46.2	19.9	50.1	15.3	1.3
Industrial							436.7							
UNTR	24,050	26,075	32,000	Buy	33.1	(10.3)	89.7	4.0x	1.0x	27.2	29.1	24.7	26.6	0.9
ASII	6,800	5,700	8,000	Buy	17.6	11.9	275.3	8.9x	1.4x	16.3	9.4	15.5	27.2	1.1
Basic Ind.							952.1							
SMGR	6,250	6,575	9,500	Buy	52.0	(6.8)	42.2	15.8x	1.0x	6.1	3.9	4.5	(2.1)	0.8
INTP	9,900	9,900	12,700	Buy	28.3	6.2	36.4	16.8x	1.7x	10.0	1.6	19.3	109.8	0.8
INCO	6,350	7,100	8,200	Buy	29.1	21.5	63.1	18.1x	1.7x	9.9	1.4	54.5	45.6	1.2
ANTM	2,020	1,985	3,450	Buy	70.8	17.4	48.5	12.1x	1.9x	16.9	3.9	18.9	13.5	1.4

* Target Price

Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 3 – July	US	20:45	S&P Global US Manufacturing PMI	Jun F	46.3	46.3	46.3
	US	21:00	ISM Manufacturing	Jun	46.0	47.1	46.9
	CH	08:45	Caixin China PMI Mfg	Jun	50.5	50.0	50.9
	ID	07:30	S&P Global Indonesia PMI Mfg	Jun	52.5	—	50.3
	ID	11:00	CPI YoY	Jun	3.52%	3.62%	4.00%
	GE	14:55	HCOB Germany Manufacturing PMI	Jun F	40.6	41.0	41.0
	KR	07:30	S&P Global South Korea PMI Mfg	Jun	47.8	—	48.4
	JP	06:50	Tankan Large Mfg Index	2Q	5	3	1
	JP	06:50	Tankan Large Non-Mfg Index	2Q	23	22	20
	JP	06:50	Tankan Large Mfg Outlook	2Q	9	4	3
	JP	06:50	Tankan Large All Industry Capex	2Q	13.4	10.0%	3.2%
	JP	07:30	Jibun Bank Japan PMI Mfg	Jun F	49.8	—	49.8
Tuesday 4 – July	KR	06:00	CPI YoY	Jun	0.0%	0.2%	3.3%
	JP	06:50	Monetary Base YoY	Jun	-1.0%	—	-1.1%
Wednesday 5 – July	US	21:00	Factory Orders	May	0.3%	0.8%	0.4%
	US	21:00	Durable Goods Orders	May F	1.8%	1.7%	1.7%
Thursday 6 – July	US	18:00	MBA Mortgage Applications	Jun 30	-4.4%	—	—
	US	19:15	ADP Employment Change	Jun	497K	225K	278K
	US	19:30	Trade Balance	May	-\$69.0bn	-\$69.0bn	-\$74.4bn
	US	19:30	Initial Jobless Claims	Jul 1	248K	245K	236K
	GE	13:00	Factory Orders MoM	May	6.4%	1.0%	-0.4%
Friday 7 – July	US	19:30	Change in Nonfarm Payrolls	Jun	—	213K	339K
	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, GPRA, LSIP, SIMP, TRJA, UNVR
Thursday	RUPS	—
6 – July	Cum Dividend	BLUE, ICBP, INDF, INDR, PANS, PMJS, SOHO, IDPR, RUIS
Friday	RUPS	KIJA
7 – July	Cum Dividend	GGRM, IMAS, IMJS, PTPW, SOUL

Source: Bloomberg



IHSG projection for 7 July 2023 :

BULLISH / KONSOLIDASI - berhasil break Resistance MA50 , sekarang masuk ke area Resistance kritikal dalam 1.5 bulan terakhir.

Support : 6730 / 6685-6680 / 6620-6600 / 6560-6550.
Resistance : 6765 / 6800-6820 / 6950-6960 / 7000-7040.
ADVISE : Wait & See; or Average Up accordingly.

MYOR—PT Mayora Indah TBK



PREDICTION 7 JULY 2023

Overview

Potensi : Kembali Uji Support lower channel

Advise

Buy on Weakness.
Entry Level: 2640-2550
Average Up >2700
Target: 2780 / 2840 / 2900
Stoploss: 2530.

SIDO—PT Sido Muncul TBK



PREDICTION 7 JULY 2023

Overview

In overall masih trend turun dalam pattern PARALLEL CHANNEL.
Saat ini terlihat potensi bottoming.
RSI positive divergence.

Advise

Speculative Buy.
Entry Level: 730
Average Up >740
Target : 755-765 / 800-810 / 830.
Stoploss : 710.

ESSA—PT Surya Esa Perkasa TBK



PREDICTION 7 JULY 2023

Overview

Break Neckline pola (bullish reversal) INVERTED HEAD & SHOULDERS.

Advise

Speculative Buy.

Entry Level: 655

Average Up >670

Target: tutup GAP 700 / 800-830 / 865.

Stoploss: 590.

BRMS—PT Bumi Resources Minerals Tbk



PREDICTION 7 JULY 2023

Overview

Break channel turun mid-term.

Advise

Buy.

Entry Level : 147-142.

Average Up >150

Target: 173.

Stoploss: 134.

TKIM—PT Pabrik Kertas Tjiwi Kimia Tbk



PREDICTION 7 JULY 2023

Overview

Break channel downtrend mid-term.

Advise

Buy

Entry Level: 6425

Average Up >6550

Target : 6700-6800 / 7000 / 7325

Stoploss: 6150

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