

Morning Brief

Daily | October 2, 2023

JCI Movement



Today's Outlook:

- **The Dow Jones Industrial Average led the way down on the last trading day of September with a 0.5% correction**, as fears of a continued Fed rate hike and US government shutdown still haunted market sentiment. However, recent update says that the US Congress passed a stopgap funding bill late on Saturday with overwhelming Democratic support after Republican House Speaker Kevin McCarthy backed down from an earlier demand by his party's hardliners for a partisan bill; thereby averting a last-minute shutdown of the US government.
- **The Core Personal Consumption Expenditures (PCE) price index**, the Fed's favorite gauge of Inflation, managed to flatten to 0.1% from 0.2%; fostering investor optimism that the wave of Inflationary pressures is under control, and thus the Fed could be nearing the end of their interest rate hike trend. Eventually, this will bring down US Treasury yields which have skyrocketed 20% in the third quarter, after dropping around 4% in early July.
- **The latest news regarding strikes at car manufacturers GM & Ford continues**, but not so with Stellantis which is starting to show progress on a deal.
- **ASIA MARKETS:** Indonesia will look forward to Nikkei Manufacturing PMI (Sept.) and Inflation (Sept.) data today. While a series of important data will also emerge from South Korea (Export & Import, Trade Balance for September), China (PMI for September), Japan (Tankan Manufacturing Outlook Index for 3rd quarter yesterday).
- Assessing the JCI's closing position yesterday, which was blocked by MA10 & MA20, **NHKS RESEARCH advised investors/traders to hold off on buying too much before the 6970-7000 level is broken again**. The wave of foreign outflow dampened the JCI's enthusiasm which was almost flat or -0.35% during the month of September, as it was impacted by Foreign Net Sell of IDR 3.12 trillion during the last month; making foreign position in Indonesian stock market again eroded to Net Buy of IDR 9.31 trillion on year-to-date basis.

Company News

- UNTR : Heavy Equipment Sales Slope in August 2023
- INTP : Cement Sales Volume Projected to Increase 4%
- MRAT : Excellent Performance in the First Half of 2023

Domestic & Global News

- Bappebti Plans to Launch CPO Exchange, What Effect to Palm Oil Issuers?
- IMF Sees China's Economy Stabilizing, Advises for Economic Reforms

Sectors

	Last	Chg.	%
Transportation & Logistic	1852.32	25.72	1.41%
Finance	1400.85	11.50	0.83%
Technology	4335.42	26.31	0.61%
Consumer Cyclical	866.74	5.09	0.59%
Industrial	1186.15	5.85	0.50%
Property	721.20	2.94	0.41%
Consumer Non-Cyclicals	760.71	2.18	0.29%
Infrastructure	909.22	-1.79	-0.20%
Energy	2131.67	-10.27	-0.48%
Healthcare	1429.95	-8.17	-0.57%
Basic Material	1302.97	-14.94	-1.13%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.75%	Real GDP	5.17%	5.03%
FX Reserve (USD bn)	137.09	137.70	Current Acc (USD bn)	-1.90	3.00
Trd Balance (USD bn)	3.12	1.31	Govt. Spending Yoy	10.62%	3.99%
Exports Yoy	-21.21%	-18.03%	FDI (USD bn)	4.86	5.14
Imports Yoy	-14.77%	-8.32%	Business Confidence	104.82	105.33
Inflation Yoy	3.27%	3.08%	Cons. Confidence*	125.20	125.20

JCI Index

September 29	6,939.89
Chg.	2.06 pts (+0.03%)
Volume (bn shares)	21.55
Value (IDR tn)	10.30
Up 269 Down 265 Unchanged 215	

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BBCA	1,057.4	MEDC	347.7
BBRI	740.1	TLKM	249.4
AMMN	465.8	GOTO	245.1
BMRI	431.5	BRPT	211.9
BBNI	397.9	INET	193.6

Foreign Transaction

(IDR bn)

Buy			3,811
Sell			4,574
Net Buy (Sell)			(763)
Top Buy	NB Val.	Top Sell	NS Val.
AMMN	110.1	BBCA	356.7
BBNI	83.4	BMRI	147.6
TLKM	74.1	MEDC	70.9
ASII	52.4	GOTO	68.2
BFIN	18.0	MDKA	34.9

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.91%	0.04%
USDIDR	15,455	-0.42%
KRWIDR	11.47	0.35%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,507.50	(158.84)	-0.47%
S&P 500	4,288.05	(11.65)	-0.27%
FTSE 100	7,608.08	6.23	0.08%
DAX	15,386.58	63.08	0.41%
Nikkei	31,857.62	(14.90)	-0.05%
Hang Seng	17,809.66	436.63	2.51%
Shanghai	3,110.48	3.16	0.10%
Kospi	2,465.07	2.10	0.09%
EIDO	22.27	(0.07)	-0.31%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,848.6	(16.2)	-0.87%
Crude Oil (\$/bbl)	90.79	(0.92)	-1.00%
Coal (\$/ton)	160.10	0.35	0.22%
Nickel LME (\$/MT)	18,694	(193.0)	-1.02%
Tin LME (\$/MT)	23,944	(1380.0)	-5.45%
CPO (MYR/Ton)	3,767	(4.0)	-0.11%

UNTR : Heavy Equipment Sales Slope in August 2023

The sales of PT United Tractors Tbk's (UNTR) Komatsu heavy equipment began to slope, reflected in Komatsu sales during the first eight months of 2023 which experienced a slight correction. UNTR sold 3,951 Komatsu heavy equipment until August 2023, down 0.95% YoY. As of August, UNTR's market share stood at 31%. By sector, the mining sector still dominates sales, as much as 63% contributed by the mining sector. Then, 15% came from the construction sector, 13% came from the forestry sector, and the rest from the agribusiness sector. (Kontan)

INTP : Cement Sales Volume Projected to Increase 4%

PT Indocement Tunggal Prakarsa Tbk (INTP) is still in an optimistic mode. The company projects the cement market to grow by 2%. As for INTP, demand is expected to grow by around 4% in 2023. This projection considers the addition of the Maros plant in South Sulawesi. Meanwhile, INTP's cement sales in August reached 1.6 million tons, up 7.8% YoY. If accumulated, INTP's sales volume during the first eight months of 2023 reached 10.8 million tons of cement or grew around 8.4% YoY. (Kontan)

MRAT : Excellent Performance in the First Half of 2023

PT Mustika Ratu Tbk (MRAT) managed to reverse its loss to net profit in 1H23, amounting to IDR 37.28 million. MRAT earned net sales of IDR167.80 billion in 1H23 or a slight increase of 0.54% YoY. In detail, the self-care product segment dominated sales with a value of IDR147.87 billion. Followed by the cosmetics segment IDR30.85 billion, herbal medicine and others IDR20.43 billion and health products IDR1.87 billion. (Kontan)

Domestic & Global News

Bappebti Plans to Launch CPO Exchange, What Effect to Palm Oil Issuers?

The Commodity Futures Trading Supervisory Agency (Bappebti) plans to launch the Crude Palm Oil (CPO) Exchange in October. The CPO commodity exchange initiated by the government is predicted to expand CPO commodity trading transactions in Indonesia. Moreover, Indonesia is currently the world's number one producer. The CPO Exchange will facilitate CPO export transactions. Bappebti will appoint one of the two existing futures exchanges, namely the Jakarta Futures Exchange (BBJ) aka Jakarta Futures Exchange (JFX) or the Indonesia Commodity and Derivatives Exchange (BKDI) or the Indonesia Commodity & Derivatives Exchange (ICDX). Corporate Secretary of PT Triputra Agro Persada Tbk (TAPG) Joni Tjeng said, the timing of the formation of the CPO Exchange is not expected to affect the price and sales of CPO because the price and sales of CPO will still follow the current scheme. Investment Analyst Infovesta Kapital Advitori Fajar Dwi Alfian said that the effect of the CPO Exchange is still minimal on prices and sales. This is because there is a CPO exchange in Malaysia that has become one of the references for the CPO Exchange to set prices. (Bisnis)

IMF Sees China's Economy Stabilizing, Advises for Economic Reforms

The International Monetary Fund (IMF) sees a number of recent data showing China's economy is in a good sign towards stability. IMF Principal Spokesperson Julie Kozack in a routine conference to the media said that China could achieve growth of around 5 percent by 2023. They also believe that China can accelerate its growth in the medium term if it takes steps to reform its economy to be more balanced between investment and consumer spending. The detailed projections will also be announced when the IMF publishes its World Economic Prospects report, during the IMF-World Bank annual meeting in Marrakech, Morocco, on October 10, 2023. The world bank's bottom line forecasts that China's GDP growth will slow to 3.5 percent in the medium term, but could accelerate through economic reforms. For the record, the IMF's view is quite in line with private forecasts, as China's recovery from the Covid-19 pandemic is massively declining in the property sector which is weighing on consumer demand. In addition, there is also ballooning debt as a result of decades of infrastructure investment and companies that are reluctant to invest. (Bisnis)

	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							3,598.9							
BBCA	8,825	8,550	10,200	Buy	15.6	5.4	1,087.9	23.2x	4.8x	21.9	2.3	22.2	34.2	0.9
BBRI	5,225	4,940	6,100	Buy	16.7	16.6	791.9	14.1x	2.7x	19.4	5.5	12.0	18.9	1.1
BBNI	10,325	9,225	12,000	Buy	16.2	15.0	192.5	9.7x	1.4x	14.9	3.8	12.2	17.0	1.2
BMRI	6,025	4,963	6,750	Overweight	12.0	30.3	562.3	13.4x	2.4x	21.3	4.4	16.9	24.8	1.3
AMAR	292	232	392	Buy	34.2	32.3	5.4	173.9x	1.2x	0.7	N/A	12.3	N/A	0.8
Consumer Non-Cyclicals							1,214.1							
INDF	6,625	6,725	8,600	Buy	29.8	10.0	58.2	6.4x	1.0x	16.7	3.9	6.3	92.1	0.5
ICBP	11,075	10,000	13,600	Buy	22.8	25.1	129.2	15.4x	3.3x	22.2	1.7	5.8	195.8	0.4
UNVR	3,740	4,700	4,200	Overweight	12.3	(22.9)	142.7	30.4x	36.3x	110.4	3.7	(5.5)	(20.0)	0.4
MYOR	2,550	2,500	3,200	Buy	25.5	40.1	57.0	22.6x	4.4x	20.2	1.4	3.1	89.7	0.6
CPIN	5,425	5,650	5,500	Hold	1.4	(4.4)	89.0	46.9x	3.2x	7.1	N/A	7.9	(42.9)	0.6
JPFA	1,285	1,295	1,400	Overweight	8.9	(13.2)	15.1	38.3x	1.2x	3.1	3.9	(1.3)	(92.7)	0.6
AALI	7,500	8,025	8,000	Overweight	6.7	(10.7)	14.4	11.2x	0.7x	6.1	5.4	(14.4)	(54.6)	0.9
Consumer Cyclicals							409.0							
ERAA	452	392	600	Buy	32.7	5.1	7.2	7.4x	1.0x	14.7	4.2	23.5	(9.2)	0.8
MAPI	1,820	1,445	2,000	Overweight	9.9	71.7	30.2	14.2x	3.4x	27.0	0.4	#N/A	N/A	0.7
Healthcare							273.5							
KLBF	1,755	2,090	2,200	Buy	25.4	(4.1)	82.3	24.8x	4.0x	16.7	2.2	9.4	(6.4)	0.4
SIDO	590	755	700	Buy	18.6	(17.5)	17.7	16.0x	5.4x	34.0	6.2	2.6	0.6	0.6
MIKA	2,700	3,190	3,000	Overweight	11.1	(3.6)	38.5	40.4x	7.0x	18.1	1.4	(1.2)	(15.5)	0.3
Infrastructure							895.55							
TLKM	3,750	3,750	4,800	Buy	28.0	(15.5)	371.5	18.4x	3.0x	16.6	4.5	2.1	(4.2)	0.8
JSMR	4,290	2,980	5,100	Buy	18.9	27.7	31.1	9.9x	1.4x	14.5	1.8	18.3	56.3	0.9
EXCL	2,380	2,140	3,800	Buy	59.7	(2.9)	31.2	24.7x	1.2x	5.0	1.8	12.0	(13.8)	0.8
TOWR	960	1,100	1,260	Buy	31.3	(23.2)	49.0	14.5x	3.2x	23.7	2.5	8.7	(8.8)	0.3
TBIG	2,020	2,300	2,390	Buy	18.3	(28.6)	45.8	30.4x	4.3x	12.9	1.7	(0.7)	(18.6)	0.4
MTEL	680	800	860	Buy	26.5	(7.5)	56.8	29.4x	1.7x	5.8	3.1	10.8	12.3	0.5
WIKA	458	800	1,280	Buy	179.5	(50.8)	4.1	N/A	0.4x	(16.0)	N/A	28.8	(13975.2)	1.2
PTPP	755	715	1,700	Buy	125.2	(15.2)	4.7	16.4x	0.4x	2.5	N/A	(10.8)	14.3	1.0
Property & Real Estate							258.4							
CTRA	1,020	940	1,500	Buy	47.1	2.0	18.9	11.6x	1.0x	8.9	1.5	(4.2)	(22.4)	0.9
PWON	438	456	600	Buy	37.0	(8.0)	21.1	11.2x	1.2x	10.8	1.5	5.3	45.8	1.1
Energy							1,349.2							
PGAS	1,375	1,760	1,770	Buy	28.7	(19.6)	33.3	8.8x	0.8x	9.1	10.3	2.5	(40.0)	0.8
PTBA	2,800	3,690	4,900	Buy	75.0	(32.4)	32.3	3.5x	1.8x	45.1	39.1	2.4	(54.9)	0.9
ADRO	2,850	3,850	3,900	Buy	36.8	(27.8)	91.2	2.6x	0.9x	37.4	17.1	(1.8)	(27.6)	1.2
Industrial							425.8							
UNTR	28,250	26,075	32,000	Overweight	13.3	(14.7)	105.4	4.7x	1.4x	29.2	24.8	13.6	11.2	0.8
ASII	6,225	5,700	8,000	Buy	28.5	(8.1)	252.0	8.9x	1.4x	15.2	10.3	13.0	(4.0)	1.1
Basic Ind.							1,499.3							
SMGR	6,425	6,575	9,500	Buy	47.9	(14.1)	43.5	16.7x	1.0x	6.1	3.8	2.0	(9.0)	0.8
INTP	9,950	9,900	12,700	Buy	27.6	2.3	36.6	15.2x	1.7x	11.8	1.6	15.3	141.8	0.8
INCO	5,650	7,100	8,200	Buy	45.1	(9.6)	56.1	16.6x	1.5x	9.2	1.6	16.7	12.6	1.3
ANTM	1,815	1,985	3,450	Buy	90.1	(5.5)	43.6	10.4x	1.8x	18.5	4.4	#N/A	N/A	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	Sep F		48.9	48.9
2 – Oct.	US	21:00	ISM Manufacturing	Sep		47.8	47.6
	ID	07:30	S&P Global Indonesia PMI Mfg	Sep		—	53.9
	ID	11:00	CPI YoY	Sep		2.22%	3.27%
	GE	14:55	HCOB Germany Manufacturing PMI	Sep F		—	39.8
	EC	15:00	HCOB Eurozone Manufacturing PMI	Sep F		—	43.4
	JP	07:30	Jibun Bank Japan PMI Mfg	Sep F		—	48.6
Tuesday	US	21:00	JOLTS Job Openings	Aug		8,900K	8,827K
3 – Oct.	JP	06:50	Monetary Base YoY	Sep		—	1.2%
Wednesday	US	18:00	MBA Mortgage Applications	Sep 29		—	1.3%
4 – Oct.	US	19:15	ADP Employment Change	Sep		150K	177K
	US	21:00	Factory Orders	Aug		0.2%	-2.1%
	US	21:00	Durable Goods Orders	Aug F		—	0.2%
Thursday	US	19:30	Trade Balance	Aug		-\$65.2 Bn	-\$65.0 Bn
5 – Oct.	US	19:30	Initial Jobless Claims	Sep 30		—	204K
Friday	US	19:30	Change in Nonfarm Payrolls	Sep		170K	187K
6 – Oct.	US	19:30	Unemployment Rate	Sep		3.7%	3.8%
	ID	10:00	Foreign Reserves	Sep		—	\$137.09 Bn
	GE	13:00	Factory Orders MoM	Aug		2.5%	-11.7%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	MAYA
2 – Oct.	Cum Dividend	—
Tuesday	RUPS	CITY, AGRO
3 – Oct.	Cum Dividend	—
Wednesday	RUPS	GEMS, ESSA
4 – Oct.	Cum Dividend	—
Thursday	RUPS	SBAT, LPKR, LPCK, BEEF
5 – Oct.	Cum Dividend	HEXA
Friday	RUPS	BACA
6 – Oct.	Cum Dividend	AALI

Source: Bloomberg



IHSB projection for 2 OCTOBER 2023 :

KONSOLIDASI – SIDEWAYS.

Uji Resistance MA10 & MA20.

Support : 6930-6900 / 6800.

Resistance : 6970 / 7000-7060 / 7100-7130 / 7175.

ADVISE : WAIT & SEE ; AVERAGE UP accordingly.

GOTO—PT GoTo Gojek Tokopedia TBK



PREDICTION 2 OCTOBER 2023

Overview

Candle : Doji di area Support.

RSI positive divergence.

Uji Resistance MA10 & MA20.

Advise

Speculative Buy.

Entry Level : 85

Average UP >90

Target : 95-96 / 100 / 105-106

Stoploss: 82

ERAA—PT Erajaya Swasembada TBK



PREDICTION 2 OCTOBER 2023

Overview

Candle serupa long-leg Hammer menyusul Inverted Hammer setelah rebound dari Support lower channel ; manakala RSI OVERSOLD.

Advise

Speculative Buy.

Entry Level: 450-445

Average UP >455-460

Target: 470 / 485 / 500.

Stoploss: 435.

PWON—PT Pakuwon Jati TBK



PREDICTION 2 OCTOBER 2023

Overview

Candle : Long-leg Hammer di area Support.

RSI positive divergence.

Uji Resistance MA20.

Advise

Speculative Buy.

Entry Level: 438

Average Up > 444

Target: 450-452 / 460-464.

Stoploss: 428

GGRM—PT Gudang Garam Tbk



PREDICTION 2 OCTOBER 2023

Overview

Break MA10 & MA20.

Advise

Buy.

Entry Level: 24600

Average Up > 24900

Target: 25300-25400 / 26800-27000 / 28800-29000

Stoploss: 24100

CTRA—PT Ciputra Development Tbk



PREDICTION 2 OCTOBER 2023

Overview

Candle serupa long-leg Hammer di area Support.

RSI wilayah OVERSOLD.

Uji Resistance MA10.

Advise

Speculative Buy

Entry Level : 1020-1000

Average Up > 1030

Target: 1055 / 1090-1100 / 1180-1200.

Stoploss: 980

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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