

Weekly Brief (Dec. 11 – 15, 2023)

Summary:

Last week review:

US LABOR DATA AS THE LAST INPUT FOR THE DECEMBER FOMC MEETING!!!

US employment data dominated the attention of market participants last week, where 3 important reports plus one jobless claim will greatly affect the US central bank's monetary policy this week. Starting from JOLTs Job Openings (Oct.) and ADP Nonfarm Employment Change (Nov.) which were released lower than expectations, last week was closed with Nonfarm Payrolls (Nov.) released at 199K, higher than the estimate of 180K and stronger than the previous month at 150K. The Unemployment Rate (Nov.) also managed to flatten to 3.7% from 3.9% in October. Not to mention the average hourly wage rate is suspected to have experienced double growth from 0.2% in the previous month to 0.4% in November. Another catalyst that suggests the labor market has not fully loosened up also came from the lower-than-expected weekly Initial Jobless Claims figure. Meanwhile, the growth of business services activity in the US looks to be firmly in expansionary territory. The mixed labor data above led the US stock market to triumph by recording its longest weekly gain since 2019, as optimism that the US economy will avoid recession amid speculation that an interest rate cut could occur in the first quarter of next year.

Weekly Brief (Dec. 11 – 15, 2023)

Summary:

Last week review:

ASIA & EUROPE MARKETS: Japan reports 3rd quarter GDP plunging into recessionary territory; similar to Eurozone where Q3/2023 economic growth came in at -0.1% qoq compared to 0.1% in the previous quarter. This slowdown in the European economy is one of the prices that must be paid as a form of their Inflation control, reflected in the German CPI (Nov.) which on a monthly basis recorded deflation, and on an annual basis successfully slid to 3.2% yoy from 3.8% in October. In Europe's largest economy, German Factory Orders and Industrial Production (both for October) still experienced negative growth. On the one hand, PMIs of several major European countries such as Germany, Eurozone, UK appear to be growing although not all of them have managed to leave contractionary territory (below 50). Good news from China: Their Composite PMI is finally slowly growing in expansionary territory; Trade Balance surplus increased due to massive Export growth outpacing Import decline. Unfortunately their CPI & PPI (Nov.) are still falling deeper into deflationary territory.

COMMODITIES: The US announced Crude Oil Inventories fell lower than expected, but it turned out that their gasoline stockpile ballooned at 5.421 million barrels, well above the prediction of about 1 million barrels. Inevitably, the spike sent Oil prices plummeting by around 4% for both contracts (Brent & WTI) triggered by fears of over-supply and sluggish global demand, especially after OPEC+ countries agreed to increase voluntary production cuts by 2.2 million barrels/day starting early next year.

INDONESIA: announced that Foreign Exchange Reserves (Nov.) increased to USD 138.1 billion, safe enough to cover 6 months of imports, followed by Consumer Confidence Index (Nov.) which slightly deflated to 123.6 from 124.3 in the previous month. Amidst the bullish JCI reaching NHKSI RESEARCH's Year End Target at 7130-7150 area (which is the highest point since September 2022), it turns out that foreign buying interest in Indonesian stocks is still dry as Foreign Net Sell was recorded at IDR 876.8bn (all markets) last week, and brought the YTD net buy position to IDR 2.27 trillion only.

Weekly Brief (Dec. 11 – 15, 2023)

This week's outlook:

The culmination of the last monetary policy of the year will be fulfilled by US Inflation (Nov.) data which will be released on Tuesday as the last piece of the puzzle, where CPI (Nov.) is expected to flatten to 3.1% yoy, vs. previous 3.2%; although on a monthly basis an increase in PPI (Nov.) which states that the price index in the producer sector rose 0.1%, compared to -0.5% deflation in October. The combination of this data plus the labor data released last week will certainly influence this week's FOMC Meeting decision which is scheduled to come out on Thursday morning at 01:00 WIB. As reported by Investing.com's Fed Rate Monitor Tool, the probability that the Fed will hold rates at 5.25% - 5.50% at this month's FOMC Meeting is almost 100% fully priced-in. Meanwhile, there is already more than a 50% chance that the central bank will be able to cut 25 bps as soon as the March meeting next year. Market participants are anxiously awaiting Federal Reserve Chairman Jerome Powell's comments on the direction of monetary policy next year, with many beginning to envision a pivot on the horizon. If the Fed's board of officials is loyal to determining the direction of its policy based on a number of economic data, then in fact this week they will look at Retail Sales (Nov.) as an input regarding people's purchasing power especially in the festive season, plus Industrial & Manufacturing Production (Nov.), plus a preliminary estimate of the S&P Global Services PMI (Dec.), and of course the weekly Initial Jobless Claims figure, all of which will be announced after the FOMC Meeting decision.

Weekly Brief (Dec. 11 – 15, 2023)

This week's outlook:

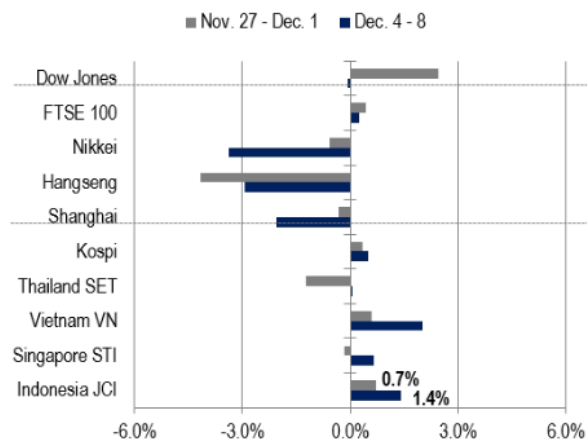
In continental Europe, this Thursday will also be an important day for the UK and Eurozone central banks as they will also issue interest rate decisions, where both are forecast to hold rates in place, 5.25% for the Bank of England and 4.5% for the European Central Bank. But before that, some important economic data should be considered such as: UK employment + unemployment data, UK Industrial & Manufacturing Production; plus Eurozone Industrial Production (Oct.), as well as German ZEW Economic Sentiment (Dec.) which expresses views regarding German businesses 6 months ahead. Closing out the week, market participants will be focusing on a number of important economic data from China namely: Industrial Production (Nov.), Retail Sales (Nov.) and Unemployment Rate (Nov.).

INDONESIA will precede Europe in releasing Retail Sales figures today at around 10.00 WIB which will be compared to the previous reading of 1.5%. At the end of the week, Indonesia will announce the Trade Balance (Nov.) figure which is predicted to have a slight surplus to USD 3.06 billion, compared to USD 3.48 billion in October. What is important to see is whether the Export & Import position has been able to experience better growth than before, or at least the rate of decline has slowed down.

JCI Index	: 7,159.6 (+1.4%)
Foreign Flow	: Net Sell of IDR 1.1 Trillion (Vs. last week's net buy of IDR 594 Billion)
USD/IDR	: 15,510 (-0.16%)

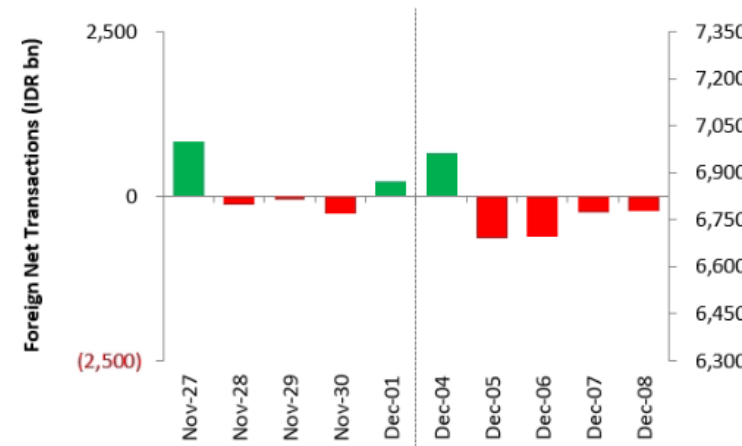
Last Week's JCI Movement

Global Market Movement



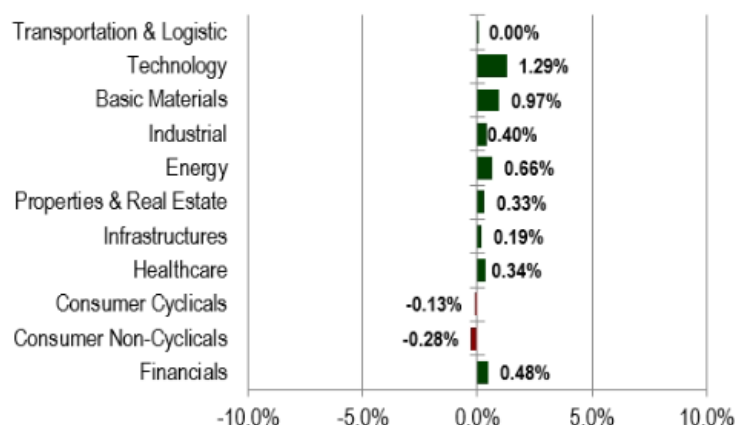
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



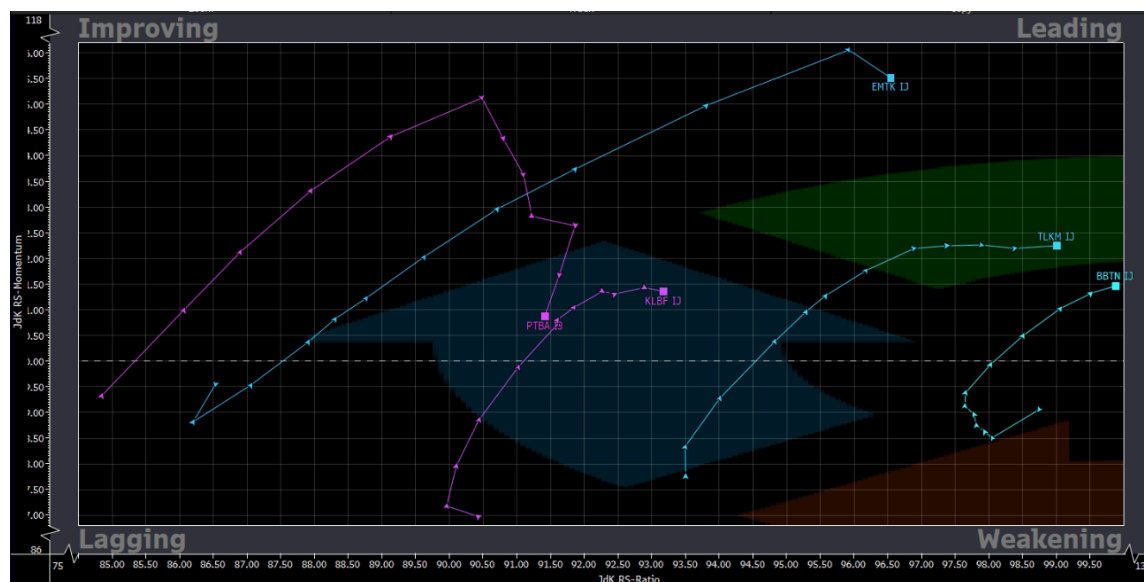
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
TLKM	551,831	BBCA	539,288
BBRI	252,372	BMRI	436,288
BREN	127,338	GOTO	356,339
BRPT	84,202	UNTR	134,169
CUAN	54,354	BBNI	92,802

Source: Bloomberg, NHKSI Research

Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
EMTK	655-670, 700-720, 785-800	560
TLKM	4030-4050, 4300, 4460-4500	3780
BBTN	1250-1260, 1300, 1350-1360	1180
KLBF	1720-1735, 1850-1875, 2000	1550
PTBA	2590, 2700-2750	2300

Source: Bloomberg, NHKSI Research

JCI Index

Support

7130 / 7080 / 7015-7000 / 6910-6900

Resistance

7200 / 7355-7377

Published on Investing.com, 10/Dec/2023 - 18:51:04 GMT, Powered by TradingView.

Jakarta Stock Exchange Composite Index, Indonesia, Jakarta:JKSE, D

MA (10, close, 0)
MA (20, close, 0)
MA (50, close, 0)



Source: NHKSI Research, Bloomberg

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
Monday	JP	06:50	Money Stock M2 YoY	Nov	—	2.4%
<i>11 – Dec.</i>	JP	06:50	Money Stock M3 YoY	Nov	—	1.8%
Tuesday	US	20:30	CPI YoY	Nov	3.1%	3.2%
<i>12 – Dec.</i>	CH	08:30	CPI YoY	Nov	-0.2%	-0.2%
	CH	08:30	PPI YoY	Nov	-2.8%	-2.6%
Wednesday	US	19:00	MBA Mortgage Applications	Dec 8	—	2.8%
<i>13 – Dec.</i>	US	20:30	PPI Final Demand MoM	Nov	0.1%	-0.5%
Thursday	US	02:00	FOMC Rate Decision (Upper Bound)	Dec 13	5.50%	5.50%
<i>14 – Dec.</i>	US	02:00	FOMC Rate Decision (Lower Bound)	Dec 13	5.25%	5.25%
	US	20:30	Retail Sales Advance MoM	Nov	-0.1%	-0.1%
	US	20:30	Initial Jobless Claims	Dec 9	—	220K
Friday	US	20:30	Empire Manufacturing	Dec	3.8%	9.1%
<i>15 – Dec.</i>	US	21:15	Industrial Production MoM	Nov	0.2%	-0.6%
	US	21:45	S&P Global US Manufacturing PMI	Dec P	49.3	49.4
	CH	09:00	Industrial Production YoY	Nov	5.7%	4.6%
	CH	09:00	Retail Sales YoY	Nov	12.4%	7.6%
	ID	09:00	Trade Balance	Nov	\$2,962M	\$3,480M
	ID	09:00	Exports YoY	Nov	-9.34%	-10.43%
	ID	09:00	Imports YoY	Nov	-0.12%	-2.42%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	—
11 – Dec.	Cum Dividend	XISC, XIIT, XIIF, R-LQ45X
Tuesday	RUPS	VKTR, SONA, HELI, GDYR, BSWD
12 – Dec.	Cum Dividend	TBIG
Wednesday	RUPS	PTPP, GMTD, DOID, BUKK
13 – Dec.	Cum Dividend	GEMS, BFIN
Thursday	RUPS	PJAA, PICO, PEHA, CANI, BUVA, ATIC
14 – Dec.	Cum Dividend	TOWR
Friday	RUPS	RINA, PKPK, IGAR, ADCP
15 – Dec.	Cum Dividend	PTPS, BYAN

Source: NHKSI Research

NHKS Stock Coverage

	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							3,587.2							
BBCA	8,750	8,550	10,300	Buy	17.7	2.0	1,078.7	22.4x	4.6x	21.5	2.4	20.5	25.5	0.9
BBRI	5,375	4,940	6,300	Buy	17.2	12.0	814.6	14.5x	2.6x	18.6	5.4	14.9	12.7	1.0
BBNI	5,075	4,613	6,100	Buy	20.2	6.3	189.3	9.3x	1.3x	15.0	3.9	12.5	15.1	1.1
BMRI	5,700	4,963	6,900	Buy	21.1	14.9	532.0	10.7x	2.2x	21.8	4.6	17.2	27.4	1.2
AMAR	300	232	400	Buy	33.3	8.7	5.5	24.3x	1.7x	6.9	N/A	26.2	N/A	0.7
Consumer Non-Cyclicals							1,168.2							
INDF	6,400	6,725	7,400	Buy	15.6	(7.6)	56.2	6.4x	1.0x	16.0	4.0	3.8	52.6	0.4
ICBP	10,975	10,000	13,600	Buy	23.9	8.1	128.0	15.4x	3.1x	21.9	1.7	4.9	113.0	0.3
UNVR	3,510	4,700	4,200	Buy	19.7	(24.0)	133.9	27.1x	24.9x	89.0	3.8	(3.3)	(9.1)	0.0
MYOR	2,400	2,500	3,200	Buy	33.3	(4.0)	53.7	18.5x	3.9x	22.5	1.5	3.0	85.7	0.5
CPIN	5,025	5,650	5,500	Overweight	9.5	(12.2)	82.4	34.0x	2.8x	8.7	2.0	8.5	(16.0)	0.5
JPFA	1,210	1,295	1,400	Buy	15.7	(2.0)	14.2	15.1x	1.1x	7.2	4.1	2.6	(34.1)	0.6
AALI	7,075	8,025	8,000	Overweight	13.1	(12.1)	13.6	10.4x	0.6x	6.1	5.7	(5.1)	(34.2)	0.9
Consumer Cyclicals							405.7							
ERAA	362	392	600	Buy	65.7	(9.0)	5.8	6.9x	0.8x	12.5	5.2	22.5	(27.1)	0.8
MAPI	1,660	1,445	2,400	Buy	44.6	16.5	27.6	13.1x	2.9x	24.9	0.5	26.4	(5.0)	0.5
HRTA	390	202	590	Buy	51.3	93.1	1.8	5.9x	0.9x	17.1	3.1	82.8	25.9	0.4
Healthcare							256.8							
KLBF	1,645	2,090	1,800	Overweight	9.4	(22.8)	77.1	25.9x	3.7x	14.8	2.3	6.5	(16.9)	0.4
SIDO	540	755	550	Hold	1.9	(29.4)	16.2	16.7x	4.8x	28.0	6.6	(9.7)	(18.6)	0.6
MIKA	2,730	3,190	3,000	Overweight	9.9	(7.5)	38.9	40.1x	6.8x	17.7	1.4	2.7	(5.1)	0.2
Infrastructure							1,975.09							
TLKM	3,940	3,750	4,800	Buy	21.8	7.9	390.3	16.5x	3.0x	18.6	4.3	2.2	17.6	0.9
JSMR	4,850	2,980	5,100	Overweight	5.2	67.2	35.2	4.6x	1.3x	31.7	1.6	20.1	493.2	1.0
EXCL	2,040	2,140	3,800	Buy	86.3	(1.4)	26.8	22.7x	1.0x	4.9	2.1	10.5	(16.1)	0.9
TOWR	905	1,100	1,310	Buy	44.8	(18.5)	46.2	13.6x	2.8x	22.2	2.7	7.6	(3.9)	0.5
TBIG	2,070	2,300	2,390	Buy	15.5	(14.1)	46.9	30.5x	4.4x	13.2	1.7	0.6	(8.5)	0.4
MTEL	720	800	860	Buy	19.4	(4.6)	60.1	30.0x	1.8x	6.0	3.0	11.9	(22.7)	0.5
WIKA	316	800	1,280	Buy	305.1	(61.5)	2.8	N/A	0.4x	(58.5)	N/A	17.9	(20784.6)	1.1
PTPP	525	715	1,700	Buy	223.8	(36.0)	3.3	8.7x	0.3x	3.3	N/A	(9.2)	69.6	1.0

Source : Bloomberg, NHKSI Research

NHKSI Stocks Coverage

	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
Property & Real Estate							254.8							
CTRA	1,110	940	1,300	Buy	17.1	11.0	20.6	13.6x	1.1x	8.1	1.4	(8.8)	(22.5)	0.7
PWON	406	456	500	Buy	23.2	(14.0)	19.6	10.7x	1.1x	10.3	1.6	1.6	24.8	1.0
Energy							1,359.8							
PGAS	1,105	1,760	1,770	Buy	60.2	(38.6)	26.8	7.7x	0.7x	8.2	12.8	1.9	(35.9)	0.6
ITMG	24,000	39,025	26,500	Overweight	10.4	(38.9)	27.1	2.5x	1.0x	39.2	37.8	(30.2)	(54.8)	0.6
PTBA	2,410	3,690	4,900	Buy	103.3	(33.4)	27.8	4.4x	1.4x	28.0	45.4	(10.7)	(62.2)	1.0
ADRO	2,560	3,850	2,870	Overweight	12.1	(30.4)	81.9	2.8x	0.8x	28.8	19.0	(15.8)	(35.7)	1.3
Industrial							387.8							
UNTR	22,300	26,075	25,900	Buy	16.1	(14.6)	83.2	4.0x	1.1x	26.6	30.9	6.6	(1.3)	0.8
ASII	5,675	5,700	6,900	Buy	21.6	-	229.7	7.3x	1.2x	16.5	11.5	8.8	10.2	1.0
Basic Ind.							1,662.4							
SMGR	6,300	6,575	9,500	Buy	50.8	(9.1)	42.7	16.9x	1.0x	6.1	3.9	4.0	(10.0)	0.9
INTP	9,375	9,900	12,700	Buy	35.5	(5.5)	34.5	14.9x	1.6x	11.1	1.7	10.9	36.4	0.7
INCO	4,360	7,100	5,000	Overweight	14.7	(39.9)	43.3	11.0x	1.1x	10.5	2.1	7.3	32.0	1.2
ANTM	1,685	1,985	2,350	Buy	39.5	(12.9)	40.5	10.0x	1.6x	17.1	4.7	(8.3)	8.4	1.4
NCKL	1,030	#N/A	N/A	Buy	28.2	#N/A	65.0	11.0x	2.9x	N/A	2.2	135.1	N/A	N/A

Source : Bloomberg, NHKSI Research

PT NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head of Research

Liza Camelia Suryanata

Equity Strategy, Macroeconomics,
Technical

T +62 21 5088 ext 9134

E liza.camelia@nhsec.co.id

Research Support

Amalia Huda Nurfalah

Editor & Translator

T +62 21 5088 ext 9132

E amalia.huda@nhsec.co.id

Analyst

Leonardo Lijuwardi

Banking, Infrastructure

T +62 21 5088 ext 9127

E leonardo.lijuwardi@nhsec.co.id

Analyst

Cindy Alicia Ramadhania

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Analyst

Axell Ebenhaezer

Mining, Property

T +62 21 5088 ext 9133

E Axell.Ebenhaezer@nhsec.co.id

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia

PT NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

Treasury Tower 51th Floor, District 8, SC
BD Lot 28, Jl. Jend. Sudirman No. Kav 52-
53, RT.5/RW.3, Senayan, Kebayoran Bar
u, 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