

## Weekly Brief (Dec. 27 – 29, 2023)

### Summary:

#### Last week review:

#### **SANTA CLAUS IS COMING TO TOWN!**

If the previous week was the week of the US, England, and Eurozone central bank decisions; then the last week before the Christmas holiday is filled with central bank decisions of a number of Asian countries, such as: Japan, China, and Indonesia; in which all three central banks decided not to change their respective benchmark interest rates. Amid expectations that the Federal Reserve will start cutting interest rates as soon as March next year, last week the stock market continued to rally on the back of such positive sentiments. All three major US stock indices stabilized on their upward path on a monthly, quarterly and yearly basis. Last week's rally marked the eighth consecutive weekly gain, the longest streak of weekly gains in recent years. At first glance, the market has priced in a 72.7% probability of a 25bps rate cut as soon as March, according to CME's FedWatch survey. However, there are still a handful of statements from Federal Reserve officials that emphasize that the next step of the US central bank is not when the rate cut will be implemented but whether the current monetary policy is tight enough to bring Inflation to the 2% Target. Thus, the Federal Reserve will still pay attention to economic data as a guide to the policy. Starting from the Existing Home Sales (Nov) data which is slightly picking up (although not offset by sluggish New Home Sales), the Conference Board Consumer Confidence also further increased to 110.7 this month, above economists' expectation of 104.0. The US revised its final third quarter economic growth or Gross Domestic Product (GDP) down to 4.9% from the previous estimate of 5.2%; the labor market is still quite tight but manufacturing activity in the Philadelphia region in particular is still rather slow. The Fed's favorite index in determining Inflation trend, Personal Consumption Expenditure (PCE) price index showed a weakening trend in the release at 3.2% yoy (Nov), a success lower than forecast & previous month.

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**EUROPEAN MARKETS:** Eurozone reported CPI (Nov.) that successfully slid to 2.4% yoy, lower than 2.9% in the previous month. As for UK Inflation, it is also equally under control by showing a downward trend, for November UK Inflation was at 3.9%, successfully cooling down from 4.6% in Oct. On the one hand, the UK has to pay with sluggish Q3 economic growth at 0.3% yoy, failing to meet expectations of 0.6%.

**COMMODITIES:** Crude Oil is on an upward trend as attacks on shipping vessels in the Red Sea route by Houthi militants (Iran-Yemen), amid hopes that interest rate cuts next year will also further stimulate the global economy and eventual Oil demand. There is quite a lot of turmoil in the organization of major oil producing countries in the world or OPEC+, one of which Angola decided to leave the organization, Russia plans to cut crude oil exports by 50,000 barrels more per day (if not more) plus recent weather disturbances have hampered the delivery of about 2/3 of Russia's Urals Oil exports. The US Navy has announced plans to deploy troops to protect shipping in the important Red Sea trade route; similar moves are likely to be followed by the UK, France, Italy, Norway & Spain. Notably, around 12% of global shipping traffic crosses the Suez Canal, en route from the Mediterranean region to key Asian markets. The attack has led a number of companies to announce over the weekend that they will be avoiding the Red Sea route, with oil giant BP stating that it will be delaying a number of shipments through the Red Sea route given the precarious security situation in the region.

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### **This week's outlook:**

**There is only a few important economic data left in the last week of 2023** as most of the world's major exchanges are still in the Christmas holiday period. Some data on Thursday & Friday that could still be of interest to market participants are US Initial Jobless Claims, Pending Home Sales (Nov), and US Crude Oil Inventories. From Asia, South Korea will report CPI (Dec) on Friday, the last trading day of 2023.

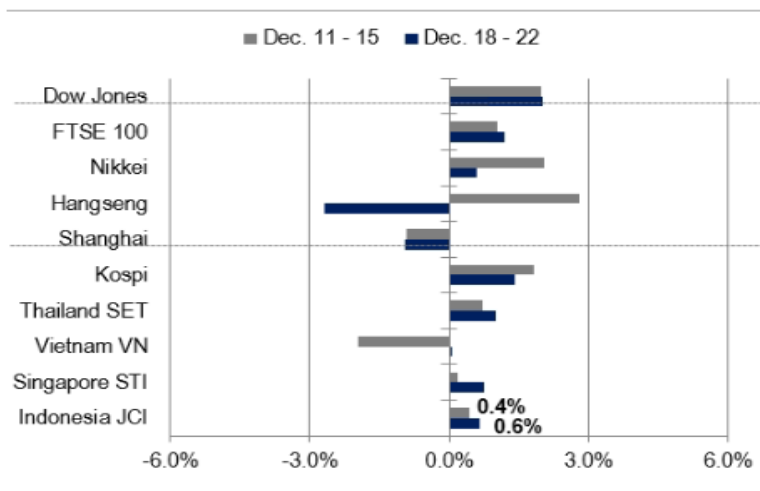
**JCI Index : 7,237.52 (+0.6%)**

**Foreign Flow : Net Buy of IDR 1.4 Trillion (Vs. last week's net sell of IDR 4.2 Trillion)**

**USD/IDR : 15,483 (+0.06%)**

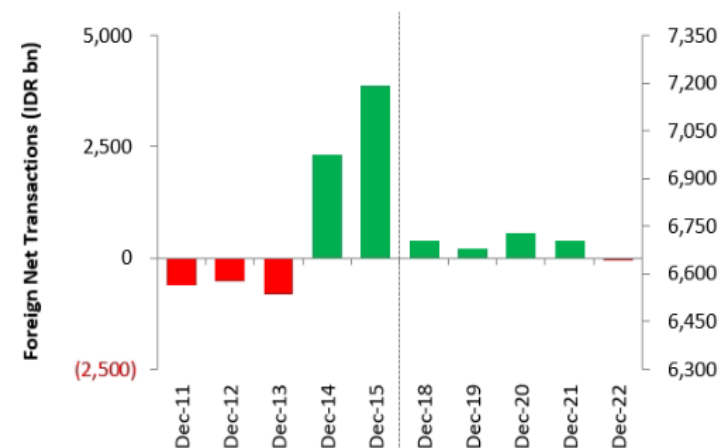
# Last Week's JCI Movement

## Global Market Movement



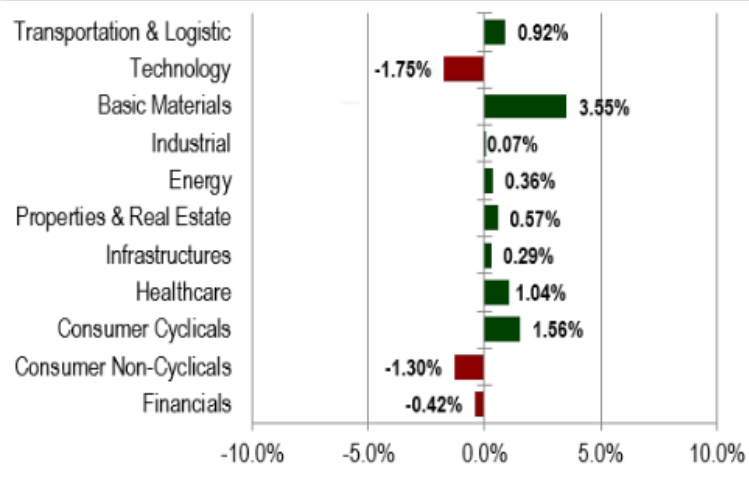
Source: Bloomberg, NHKSI Research

## Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

## JCI Sector Movement



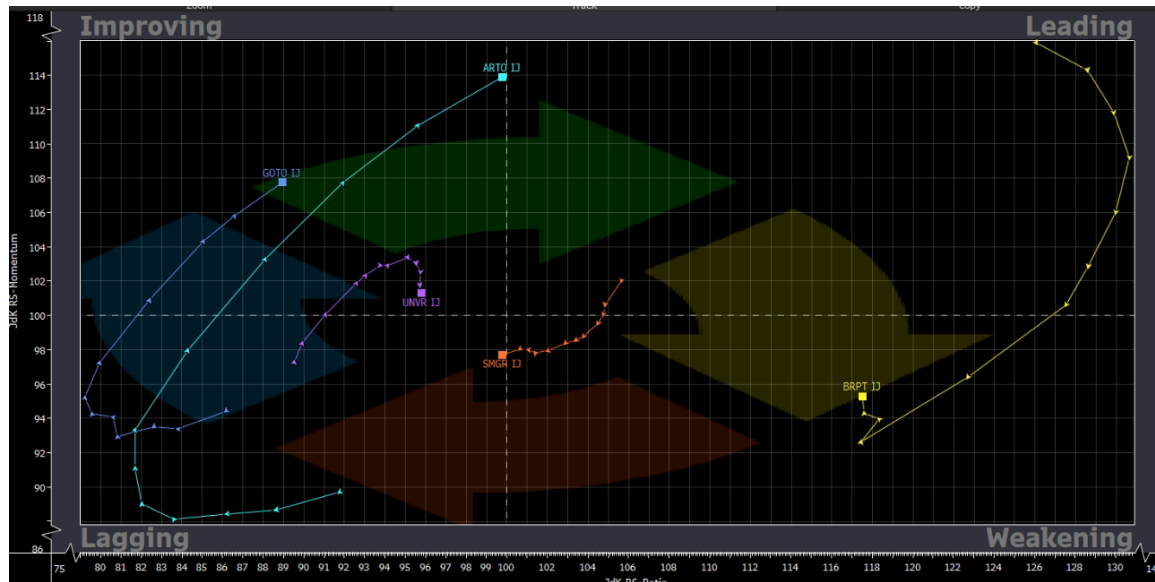
Source: Bloomberg, NHKSI Research

## JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
BBCA	1,367,751	MIKA	154,271
TLKM	332,537	MDKA	116,530
BBRI	292,861	PGEO	79,737
BMRI	195,660	BBNI	66,804
AMMN	123,751	ISAT	59,190

Source: Bloomberg, NHKSI Research

# Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
ARTO	TP1 3070-3080, TP2 3300, TP3 3550-3600	2800
GOTO	TP1 94-98, TP2 103-104, TP3 110-112	80
SMGR	TP1 6400-6450, TP2 6600-6650	6050
BRPT	TP1 1500-1530, TP2 1600-1650, TP3 1900	1300
UNVR	TP1 3600-3630, TP2 3800-3830, TP3 4000	3320

Source: Bloomberg, NHKSI Research

# JCI Index

<b>Support</b>	7180-7140 / 7050-7040 / 7000-6970	<b>Resistance</b>	7250 / 7355-7377
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Jakarta Stock Exchange Composite Index, Indonesia, Jakarta:JKSE, D



Source: NHKSI Research, Bloomberg

## Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
<b>Monday</b>	—	—	—	—	—	—
<i>25 – Dec.</i>	—	—	—	—	—	—
<b>Tuesday</b>	—	—	—	—	—	—
<i>26 – Dec.</i>	—	—	—	—	—	—
<b>Wednesday</b>	CH	08:30	Industrial Profit YoY	Nov	—	2.7%
<i>27 – Dec.</i>	KR	04:00	Consumer Confidence	Dec	—	97.2
<b>Thursday</b>	US	20:30	Initial Jobless Claims	Dec 23	—	205K
<i>28 – Dec.</i>	KR	06:00	Industrial Production YoY	Nov	3.5%	1.1%
<b>Friday</b>	US	21:45	MNI Chicago PMI	Dec	50.0	55.8
<i>29 – Dec.</i>	CH	—	BoP Current Account Balance	3Q F	—	\$62.6B
	KR	06:00	CPI YoY	Dec	3.2%	3.3%

Source: Bloomberg, NHKSI Research

# Corporate Action Calendar

Date	Event	Company
<b>Monday</b>	RUPS	—
25 – Dec.	Cum Dividend	—
<b>Tuesday</b>	RUPS	—
26 – Dec.	Cum Dividend	—
<b>Wednesday</b>	RUPS	—
27 – Dec.	Cum Dividend	—
<b>Thursday</b>	RUPS	—
28 – Dec.	Cum Dividend	ADRO
<b>Friday</b>	RUPS	TPIA, MTFN
29 – Dec.	Cum Dividend	BBRI

Source: NHKSI Research



# NHKSJ 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
<b>Finance</b>							3,743.6							
BBCA	9,325	8,550	10,300	Overweight	10.5	8.4	1,149.5	23.8x	4.9x	21.5	2.3	20.5	25.5	0.9
BBRI	5,675	4,940	6,300	Overweight	11.0	16.5	860.1	15.3x	2.8x	18.6	5.1	14.9	12.7	1.1
BBNI	5,250	4,613	6,100	Buy	16.2	12.9	195.8	9.6x	1.4x	15.0	3.7	12.5	15.1	1.1
BMRI	5,975	4,963	6,900	Buy	15.5	20.1	557.7	11.2x	2.3x	21.8	4.4	17.2	27.4	1.2
AMAR	320	232	400	Buy	25.0	30.1	5.9	25.9x	1.8x	6.9	N/A	26.2	N/A	0.7
<b>Consumer Non-Cyclicals</b>							1,159.2							
INDF	6,275	6,725	7,400	Buy	17.9	(7.7)	55.1	6.3x	0.9x	16.0	4.1	3.8	52.6	0.4
ICBP	10,525	10,000	13,600	Buy	29.2	4.5	122.7	14.7x	3.0x	21.9	1.8	4.9	113.0	0.3
UNVR	3,470	4,700	4,200	Buy	21.0	(27.9)	132.4	26.8x	24.6x	89.0	3.9	(3.3)	(9.1)	0.0
MYOR	2,380	2,500	3,200	Buy	34.5	(4.4)	53.2	18.4x	3.8x	22.5	1.5	3.0	85.7	0.5
CPIN	5,000	5,650	5,500	Overweight	10.0	(16.7)	82.0	33.8x	2.8x	8.7	2.0	8.5	(16.0)	0.5
JPFA	1,195	1,295	1,400	Buy	17.2	(8.8)	14.0	15.0x	1.1x	7.2	4.2	2.6	(34.1)	0.6
AALI	7,025	8,025	8,000	Overweight	13.9	(12.7)	13.5	10.3x	0.6x	6.1	5.7	(5.1)	(34.2)	0.9
TBLA	700	686	900	Buy	28.6	4.3	4.3	4.6x	0.5x	11.9	2.9	0.6	(27.8)	0.5
<b>Consumer Cyclicals</b>							401.9							
ERAA	404	392	600	Buy	48.5	3.6	6.4	7.7x	0.9x	12.5	4.7	22.5	(27.1)	0.8
MAPI	1,765	1,445	2,400	Buy	36.0	25.2	29.3	13.9x	3.1x	24.9	0.5	26.4	(5.0)	0.6
HRTA	346	202	590	Buy	70.5	68.0	1.6	5.2x	0.8x	17.1	3.5	82.8	25.9	0.4
<b>Healthcare</b>							255.2							
KLBF	1,585	2,090	1,800	Overweight	13.6	(21.9)	74.3	25.0x	3.5x	14.8	2.4	6.5	(16.9)	0.4
SIDO	540	755	550	Hold	1.9	(28.5)	16.2	16.7x	4.8x	28.0	6.6	(9.7)	(18.6)	0.6
MIKA	2,800	3,190	3,000	Overweight	7.1	(9.4)	39.9	41.1x	7.0x	17.7	1.3	2.7	(5.1)	0.2
<b>Infrastructure</b>							1,905.66							
TLKM	3,960	3,750	4,800	Buy	21.2	3.9	392.3	16.6x	3.0x	18.6	4.2	2.2	17.6	0.9
JSMR	4,790	2,980	5,100	Overweight	6.5	59.7	34.8	4.5x	1.3x	31.7	1.6	20.1	493.2	1.0
EXCL	2,010	2,140	3,800	Buy	89.1	(5.6)	26.4	22.4x	1.0x	4.9	2.1	10.5	(16.1)	0.8
TOWR	965	1,100	1,310	Buy	35.8	(10.2)	49.2	14.5x	3.0x	22.2	2.5	7.6	(3.9)	0.5
TBIG	2,080	2,300	2,390	Overweight	14.9	(10.7)	47.1	30.6x	4.4x	13.2	2.9	0.6	(8.5)	0.4
MTEL	750	800	860	Overweight	14.7	(2.6)	62.7	31.3x	1.9x	6.0	2.9	11.9	(22.7)	0.5
WIKA	240	800	1,280	Buy	433.3	(70.4)	2.2	N/A	0.3x	(58.5)	N/A	17.9	(20784.6)	1.0
PTPP	458	715	1,700	Buy	271.2	(36.4)	2.8	7.6x	0.2x	3.3	N/A	(9.2)	69.6	1.0

Source : Bloomberg, NHKSJ Research

## NH KSI 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
<b>Property &amp; Real Estate</b>							253.9							
CTRA	1,155	940	1,300	Overweight	12.6	22.9	21.4	14.2x	1.1x	8.1	1.3	(8.8)	(22.5)	0.7
PWON	434	456	500	Buy	15.2	(3.6)	20.9	11.4x	1.1x	10.3	1.5	1.6	24.8	1.0
<b>Energy</b>							1,419.3							
PGAS	1,100	1,760	1,770	Buy	60.9	(37.3)	26.7	7.7x	0.7x	8.2	12.8	1.9	(35.9)	0.6
ITMG	25,350	39,025	26,500	Hold	4.5	(37.0)	28.6	2.6x	1.1x	39.2	35.8	(30.2)	(54.8)	0.6
PTBA	2,400	3,690	4,900	Buy	104.2	(35.0)	27.6	4.3x	1.4x	28.0	45.6	(10.7)	(62.2)	1.0
ADRO	2,590	3,850	2,870	Overweight	10.8	(30.9)	82.8	2.9x	0.8x	28.8	18.8	(15.8)	(35.7)	1.3
<b>Industrial</b>							384.3							
UNTR	22,025	26,075	25,900	Buy	17.6	(17.3)	82.2	3.9x	1.1x	26.6	31.3	6.6	(1.3)	0.8
ASII	5,550	5,700	6,900	Buy	24.3	(2.2)	224.7	7.2x	1.2x	16.5	11.7	8.8	10.2	0.9
<b>Basic Ind.</b>							1,738.9							
SMGR	6,275	6,575	9,500	Buy	51.4	(6.0)	42.5	16.9x	1.0x	6.1	3.9	4.0	(10.0)	0.9
INTP	9,275	9,900	12,700	Buy	36.9	(7.9)	34.1	14.7x	1.6x	11.1	1.7	10.9	36.4	0.7
INCO	4,270	7,100	5,000	Buy	17.1	(40.1)	42.4	10.8x	1.1x	10.5	2.1	7.3	32.0	1.2
ANTM	1,665	1,985	2,050	Buy	23.1	(16.3)	40.0	9.9x	1.6x	17.1	4.8	(8.3)	8.4	1.4
NCKL	1,000	#N/A	N/A	Buy	32.0	#N/A	63.1	10.7x	2.8x	36.5	2.2	135.1	N/A	N/A

Source : Bloomberg, NH KSI Research

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