

## Weekly Brief (Feb. 26 – Mar. 1, 2024)

### Summary:

### Last week review:

**NVIDIA'S STELLAR PERFORMANCE & GLOBAL PMI DATA WEEK DOMINATED MARKET PARTICIPANTS' ATTENTION.** Over the past week, the S&P500 surged 1.7%, the DJIA rallied 1.3%, and the NASDAQ gained 1.4%, mostly on the back of earnings sentiment especially highlighting Nvidia's brilliant 4th quarter performance and the artificial intelligence (AI) chipmaker's revenue forecast to be above analysts' estimates. Last week was a quiet week in the US economic calendar, the main agenda was the publication of the January FOMC Meeting Minutes which still had the same tone that most US central bank officials were still hesitant to cut interest rates immediately. Policymakers are also not sure how long this tight monetary policy will last. It is possible that the first pivot forecast will be pushed back to July, which apparently contains more opportunities than the previous FOMC Meeting months, which is one of a series of planned cuts of around 80 bps this year. The latest Initial Jobless Claims were again released lower than expected (actual : 201k versus forecast: 217 thousand, and also lower than the previous period: 213 thousand). Speaking of PMI data, the US PMI also showed that manufacturing activity expanded in February, while the services sector slowed somewhat. Existing Home Sales saw a slight increase for January, indicating a fairly stable health of the US property sector. Meanwhile, PMIs in Asia & Europe were also released with mixed results. While Japan still explains the relatively slow manufacturing & services activity in the country, a number of countries in Europe are still struggling in the contraction area, except for the Eurozone services sector which began to cross over to the expansionary border (exactly 50), a performance not seen since September 2023. On the other hand, the UK showed a stronger Composite PMI, albeit amidst a slowdown in the manufacturing sector which was helped by the services activity there. Another good news from Eurozone is that they managed to control the Inflation rate as expected, reaching a level of 2.8% yoy in January, slightly sloping from 2.9% in the previous month. Unfortunately, Germany has not been able to get out of recession as its GDP in the 4th quarter of last year still contracted by minus 0.2% yoy (as forecast), although slightly improved from the previous quarter's negative growth of minus 0.4%.

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**CHINA MARKETS reopened after the Chinese New Year holiday**, amid signals that consumer spending has picked up and in some cases surpassed pre-COVID-19 levels. Official data showed that Chinese consumers have spent more money on traveling, shopping, and eating out during the holiday compared to last year. This figure boosted hopes that China's consumer spending, which is the main driver of economic growth, is now recovering after a 3-year slump. The Peoples Bank of China cut its 5-year lending rate to 3.95% from 4.20%, more than the 4.1% analysts expected, thereby easing monetary policy to support the country's relatively slow economic recovery. The 1-year Loan Prime Rate (LPR) was left unchanged at 3.45%. Meanwhile in neighboring Japan, the country reported higher than expected Export growth in January, supported by improved overseas demand for vehicles & electronics; amid weakening domestic demand which was responsible for a 9.6% drop in Imports.

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**COMMODITIES:** CRUDE OIL prices were observed to be quite volatile last week, surrounded by various sentiments such as profit-taking on solid performance throughout February, amidst competition from drastically lower natural gas prices. The factor that caused CRUDE OIL prices to lose its bargaining power was greater than the escalation of the Middle East conflict after Israel launched airstrikes into Lebanon and Houthi militants are still attacking commercial cargo ships around the Red Sea waters, even reportedly involving a submarine fighter. Although many international cargo companies still choose to detour to the Cape of Good Hope, Africa, US airline United Airlines is known to be reopening flight lines to Israel next month. Finally, Israeli Military Radio announced that Prime Minister Benjamin Netanyahu's cabinet agreed to send negotiators to discuss the possibility of a ceasefire, which discussions will take place in Paris. Speaking of other commodities, ALUMINIUM & NICKEL finally gained momentum after US President Joe Biden plans to impose major sanctions on Russia following the death of opposition leader Alexey Navalny.

**INDONESIA:** BI's RDG set BI7DRR to remain at 6.0% with the benchmark deposit and lending rates unchanged at 5.25% and 6.75% respectively. Foreign Net Buy over the past week amassed IDR 3.72 trillion (all markets), further thickening their YTD position to IDR 22.13 trillion.

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### This week's outlook:

**US INFLATION will be the highlight of the week** with Personal Consumption Expenditures (PCE) price index data awaited on Thursday. Economists have forecast a 0.3% rise in January after 0.2% in the previous month. If the actual data proves higher it will fuel thoughts that the Fed could delay cutting interest rates even later this year. This week's economic calendar will also present Durable Goods Orders, ISM Manufacturing PMI, New & Pending Home Sales, CB Consumer Confidence, as well as an important outlook from the University of Michigan. Earnings season may have lost some of its luster, but results from major US retailers will be awaited this week, and could provide important clues on the health of purchasing power.

**EUROZONE INFLATION data will also be closely monitored by market participants on Friday**, ahead of the European Central Bank meeting on March 7. Eurozone CPI has indeed flattened to 2.8% yoy in January, from 2.9% in December, showing a trajectory to the ECB's target of 2% after peaking in double digits in 2022. This time economists expect February inflation to be at an annualized level of 2.5%. So far the ECB has kept interest rates at their highest point since last September and it is believed that they still need to maintain the tight monetary policy, especially before monitoring the important Wage data in the second quarter.

**CHINA PMI DATA scheduled to come out on Friday**, will determine whether the stimulus measures that the Chinese government has launched so far to boost their economy, are paying off. Economists expect China's official PMI data to still show the manufacturing sector in contraction territory, while the Caixing Manufacturing Index is forecast to remain stable.

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### This week's outlook:

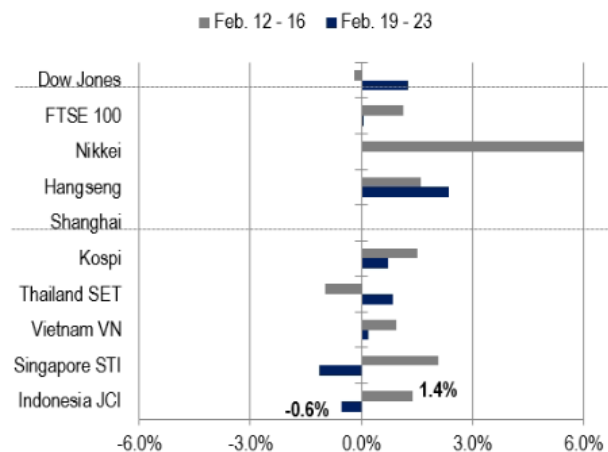
**OIL prices collapsed nearly 3% last Friday** and logged a weekly decline after US central bank officials indicated their interest rate cut delay could be at least 2 months away. Last week, Brent prices retreated 2% and US WTI fell more than 3%. However, indications of improving global oil demand and the resolution of issues related to inventory lines could support prices this week.

**INDONESIA: could have a little patience waiting for important economic data releases** at the end of the week, with indicators such as: Nikkei Manufacturing PMI (Feb) and Inflation data (Feb) which are expected to be muted at around 2.56% yoy (from 2.57% in Jan).

JCI Index : 7,295.10 (-0.6%)  
Foreign Flow : Net Buy of IDR 1.0 Trillion (Vs. last week's net buy of IDR 7.7 Trillion)  
USD/IDR : 15,595 (+0.16%)

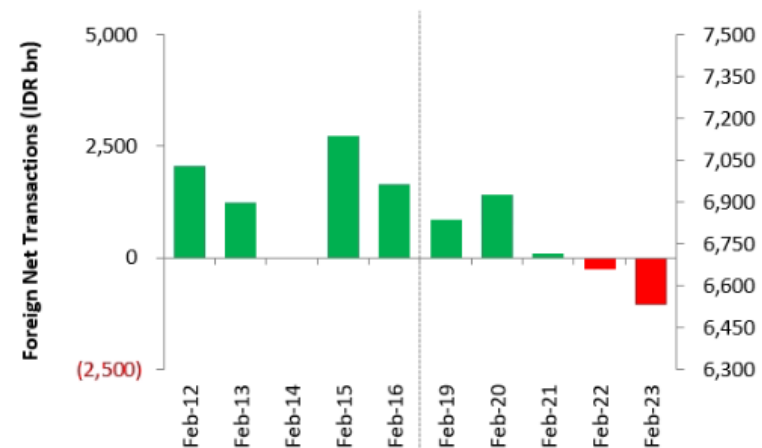
# Last Week's JCI Movement

## Global Market Movement



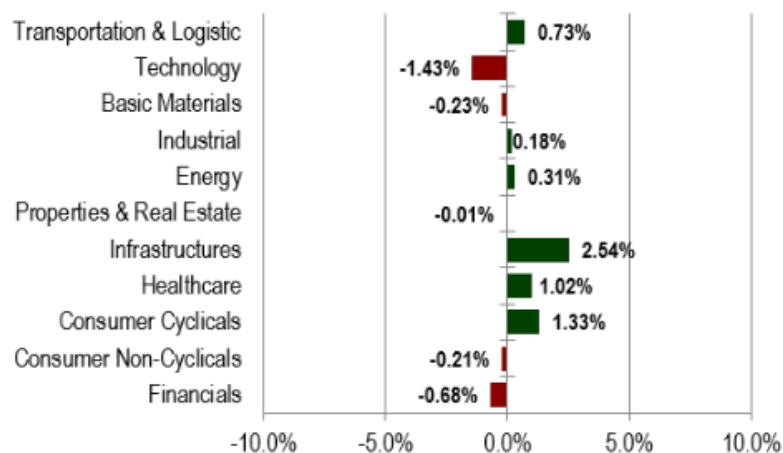
Source: Bloomberg, NHKSI Research

## Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

## JCI Sector Movement



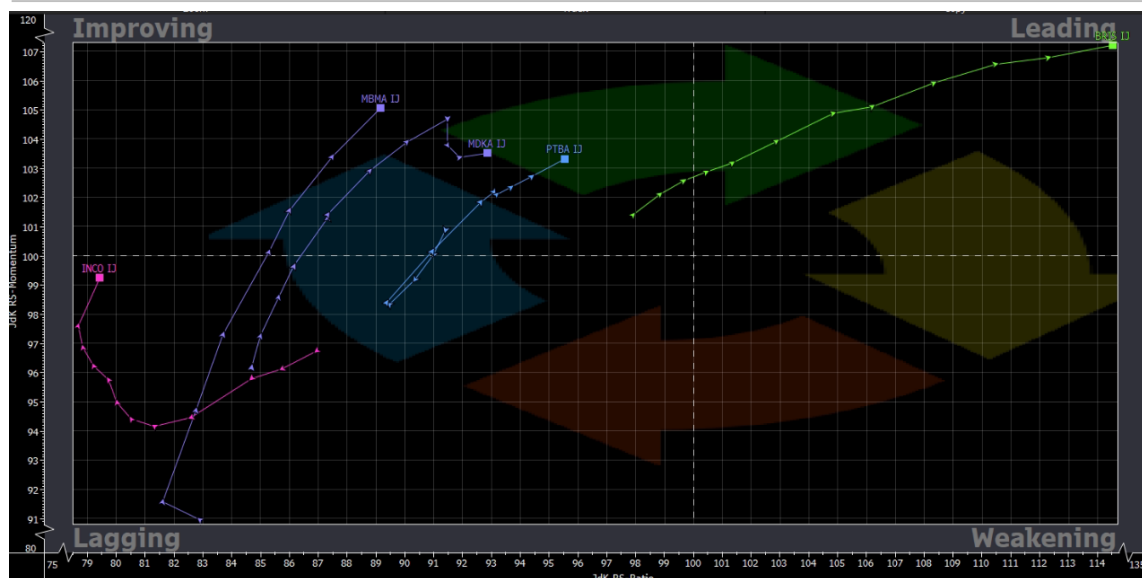
Source: Bloomberg, NHKSI Research

## JCI's Top Foreign Transaction

Top Buy (RG)	NB Val. (IDR Mn)	Top Sell (RG)	NS Value (IDR Mn)
TLKM	260,951	BMRI	836,837
FILM	174,878	BBCA	181,900
ISAT	155,204	SMGR	141,634
BBRI	91,114	MDKA	111,050
BRIS	66,039	BBNI	67,861

Source: Bloomberg, NHKSI Research

# Stocks Recommendation



Source: Bloomberg, NHKSI Research

Stocks	TP	SL
BRIS	2620-2690, 2800-2880	2300
PTBA	2660-2720, 2800-2830, 2930-3000	2530
MBMA	720-730, 830-840	600
INCO	4230-4240, 4430-4460, 4540-4640	3630
MDKA	2600-2660, 2800-2910	2200

Source: Bloomberg, NHKSI Research

# JCI Index

Support	7270-7280 / 7220 / 7100 / 7050	Resistance	7360-7406
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Source: NHKSI Research, Bloomberg



## Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Consensus	Previous
<b>Monday</b>	US	22:00	New Home Sales	Jan	684K	664K
<i>26 – Feb.</i>	JP	06:50	PPI Services YoY	Jan	2.4%	2.4%
<b>Tuesday</b>	US	20:30	Durable Goods Orders	Jan P	-4.5%	0.0%
<i>27 – Feb.</i>	US	22:00	Conf. Board Consumer Confidence	Feb	114.8	114.8
<b>Wednesday</b>	US	20:30	GDP Annualized QoQ	4Q S	3.3%	3.3%
<i>28 – Feb.</i>	JP	12:00	Leading Index CI	Dec F	—	116.2
<b>Thursday</b>	US	20:30	Personal Income	Jan	0.5%	0.3%
<i>29 – Feb.</i>	US	20:30	Personal Spending	Jan	0.2%	0.7%
	US	20:30	Initial Jobless Claims	Feb 24	—	201K
	US	21:45	MNI Chicago PMI	Feb	—	46.0
	GE	15:55	Unemployment Change (000's)	Feb	—	-2.0K
	GE	20:00	CPI YoY	Feb P	2.7%	2.9%
	JP	06:50	Industrial Production MoM	Jan P	-7.2%	1.4%
<b>Friday</b>	US	21:45	S&P Global US Manufacturing PMI	Feb F	—	51.5
<i>1 – Mar.</i>	US	22:00	U. of Mich. Sentiment	Feb F	79.6	79.6
	US	22:00	ISM Manufacturing	Feb	49.2	49.1
	CH	08:30	Manufacturing PMI	Feb	49.5	49.2
	CH	08:45	Caixin China PMI Mfg	Feb	50.7	50.8
	ID	07:30	S&P Global Indonesia PMI Mfg	Feb	—	52.9
	ID	09:00	CPI YoY	Feb	2.65%	2.57%
	KR	07:00	Trade Balance	Feb	\$2,408M	\$328M
	JP	06:30	Jobless Rate	Jan	2.4%	2.4%

Source: Bloomberg, NHKSI Research

## Corporate Action Calendar

Date	Event	Company
<b>Monday</b>	RUPS	—
26 – Feb.	Cum Dividend	—
<b>Tuesday</b>	RUPS	BEST
27 – Feb.	Cum Dividend	—
<b>Wednesday</b>	RUPS	—
28 – Feb.	Cum Dividend	—
<b>Thursday</b>	RUPS	WEGE, HITS, HEAL, GOLD
29 – Feb.	Cum Dividend	—
<b>Friday</b>	RUPS	MEGA, BBRI
1 – Mar.	Cum Dividend	XCID

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>							4,042.2							
BBCA	9,825	9,400	11,025	Overweight	12.2	13.3	1,211.2	24.9x	5.0x	21.0	2.2	17.0	19.7	0.9
BBRI	6,125	5,725	6,850	Overweight	11.8	28.7	928.3	15.4x	3.0x	19.7	2.7	16.1	17.8	1.1
BBNI	5,900	5,375	6,475	Overweight	9.7	32.6	220.1	10.5x	1.5x	14.6	3.3	9.5	14.3	1.1
BMRI	7,050	6,050	7,800	Overweight	10.6	39.3	658.0	12.0x	2.5x	22.4	3.8	14.8	33.7	1.3
AMAR	250	320	400	Buy	60.0	(11.3)	4.6	20.2x	1.4x	6.9	N/A	26.2	N/A	0.4
<b>Consumer Non-Cyclicals</b>							1,134.1							
INDF	6,725	6,450	7,400	Overweight	10.0	2.3	59.0	6.7x	1.0x	16.0	3.8	3.8	52.6	0.4
ICBP	11,550	10,575	13,600	Buy	17.7	13.5	134.7	16.2x	3.3x	21.9	1.6	4.9	113.0	0.3
UNVR	2,690	3,530	3,100	Buy	15.2	(38.2)	102.6	21.3x	30.4x	130.1	5.0	(6.3)	(10.6)	0.0
MYOR	2,410	2,490	3,200	Buy	32.8	(10.1)	53.9	18.6x	3.9x	22.5	1.5	3.0	85.7	0.5
CPIN	4,740	5,025	5,500	Buy	16.0	(15.7)	77.7	32.1x	2.7x	8.7	2.1	8.5	(16.0)	0.5
JPFA	1,105	1,180	1,400	Buy	26.7	(15.6)	13.0	13.8x	1.0x	7.2	4.5	2.6	(34.5)	0.6
AALI	6,850	7,025	8,000	Buy	16.8	(18.2)	13.2	12.5x	0.6x	4.8	5.9	(5.0)	(38.8)	0.8
TBLA	660	695	900	Buy	36.4	(5.1)	4.0	5.2x	0.5x	9.8	3.0	0.6	(27.8)	0.5
<b>Consumer Cyclicals</b>							425.5							
ERAA	474	426	600	Buy	26.6	(12.2)	7.6	9.0x	1.1x	12.5	4.0	22.5	(27.1)	0.8
MAPI	1,955	1,790	2,200	Overweight	12.5	22.2	32.5	15.4x	3.4x	24.9	0.4	26.4	(5.0)	0.5
HRTA	364	348	590	Buy	62.1	3.4	1.7	5.5x	0.9x	17.1	3.3	82.8	25.9	0.3
<b>Healthcare</b>							257.8							
KLBF	1,475	1,610	1,800	Buy	22.0	(35.0)	69.1	23.1x	3.3x	14.8	2.6	6.5	(16.9)	0.4
SIDO	625	525	550		(12.0)	(27.7)	18.8	19.7x	5.5x	27.6	5.7	(7.8)	(13.9)	0.6
MIKA	2,770	2,850	3,000	Overweight	8.3	(9.2)	39.5	40.7x	6.9x	17.7	1.3	2.7	(5.1)	0.3
<b>Infrastructure</b>							1,659.44							
TLKM	4,100	3,950	4,800	Buy	17.1	1.5	406.2	17.2x	3.1x	18.6	4.1	2.2	17.6	0.8
JSMR	5,050	4,870	5,100	Hold	1.0	46.4	36.7	4.8x	1.4x	31.7	1.5	20.1	493.2	0.9
EXCL	2,340	2,000	3,800	Buy	62.4	2.6	30.7	23.9x	1.2x	4.9	1.8	10.9	(6.7)	0.9
TOWR	930	990	1,310	Buy	40.9	(14.3)	47.4	14.0x	2.9x	22.2	2.6	7.6	(3.9)	0.5
TBIG	1,900	2,090	2,390	Buy	25.8	(10.4)	43.0	27.9x	4.0x	13.2	3.2	0.6	(8.3)	0.4
MTEL	650	705	860	Buy	32.3	(7.1)	54.3	27.1x	1.6x	6.0	3.3	11.9	(22.7)	0.5
PTPP	505	428	1,700	Buy	236.6	(23.5)	3.1	8.4x	0.3x	3.3	N/A	(9.2)	69.6	1.1

## 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>							258.9							
CTRA	1,255	1,170	1,300	Hold	3.6	32.8	23.3	15.4x	1.2x	8.1	1.2	(8.8)	(22.7)	0.6
PWON	412	454	500	Buy	21.4	(8.8)	19.8	10.8x	1.1x	10.3	1.6	1.6	24.8	0.9
<b>Energy</b>							1,400.7							
ITMG	26,200	25,650	26,500	Hold	1.1	(27.3)	29.6	3.8x	1.1x	26.7	34.6	(34.7)	(58.9)	0.7
PTBA	2,630	2,440	4,900	Buy	86.3	(28.1)	30.3	4.8x	1.6x	28.0	41.6	(10.7)	(62.2)	1.0
HRUM	1,225	1,335	1,600	Buy	30.6	(23.0)	16.6	6.1x	1.3x	21.8	N/A	(8.6)	(56.3)	1.3
ADRO	2,420	2,380	2,870	Buy	18.6	(16.3)	77.4	2.7x	0.7x	28.8	18.1	(15.8)	(35.7)	1.3
<b>Industrial</b>							373.2							
UNTR	22,800	22,625	25,900	Overweight	13.6	(8.6)	85.0	4.0x	1.1x	26.6	30.2	6.6	(1.3)	0.8
ASII	5,125	5,650	6,900	Buy	34.6	(10.9)	207.5	6.6x	1.1x	16.5	12.7	8.8	10.2	1.0
<b>Basic Ind.</b>							1,672.9							
SMGR	6,100	6,400	9,500	Buy	55.7	(17.6)	41.3	16.4x	1.0x	6.1	4.0	4.0	(10.0)	0.9
INTP	9,050	9,400	12,700	Buy	40.3	(18.5)	33.3	14.4x	1.5x	11.1	1.8	10.9	36.4	0.7
INCO	3,950	4,310	5,000	Buy	26.6	(40.4)	39.2	9.2x	1.0x	11.2	2.3	4.5	36.6	1.2
ANTM	1,550	1,705	2,050	Buy	32.3	(22.5)	37.2	9.2x	1.5x	17.1	5.1	(8.3)	8.4	1.4
NCKL	920	1,000	1,320	Buy	43.5	#N/A	58.1	N/A	2.6x	36.5	2.4	135.1	N/A	N/A

Source : Bloomberg, NH KSI Research

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