

Morning Brief

Daily | May 20, 2024

JCI Movement



Today's Outlook:

- The Dow closed above 40,000 for the first time on Friday (18/05/24)**, recording its fifth consecutive week of gains as rising interest rate cut hopes this year and mostly positive quarterly earnings from companies fueled bullish speculation on the stock market. The Dow Jones Industrial Average added 135 points, or 0.3% to close at a record high of 40,003.59, the S&P 500 rose 0.2%, while the NASDAQ Composite edged down 0.1%. Fed Governor Bowman said on Friday that he is willing to support rate hikes if disinflation stalls, or even reverses; and added that he is monitoring economic data to evaluate whether monetary policy is still tight enough. Bowman's statement echoed the Fed's speech last week that called for interest rates to remain higher for longer while considering incoming economic indicators. So far market participants have calculated a 49% chance that the Fed Funds Rate could be cut by 25bps at the scheduled FOMC Meeting in September; up from 48.6% in the previous week.
- COMMODITIES:** OIL prices closed higher on Friday, ending the week with a win as signs of slowing US inflation boosted rate cut hopes; while CHINA unveiled more stimulus, lending support to projections of increased demand. BRENT futures rose 0.8% to USD 83.92/barrel and US WTI futures gained 0.9% to USD 79.57/barrel. OPEC is also expected to extend the production cut period after June, providing an outlook for tighter supply. Market analysts expect the 8 OPEC member countries that have made voluntary production cuts to extend them by at least 3 months, even before their regular meeting begins in early June. China said it will begin a massive \$1 trillion bond issuance this week - Beijing's first major fiscal stimulus measure as the country struggles to shore up a sluggish economic recovery, amid improvements in its manufacturing sector but still accompanied by sluggish Retail Sales & housing sector.
- ASIAN MARKETS:** CHINA is expected to hold its benchmark lending rate steady on Monday, despite growing expectations of a cut in the benchmark mortgage rate as the government seeks to boost the housing sector.
- JCI posted nearly 1% gain on Friday trade, bringing it to 7317.24** in order to head towards its TARGET to around the All-Time-High figure of 7455; supported by strength in banking stocks, ASII, and Barito Group. Foreign Net Buy was also detected to come in at IDR 866.6bn (all market), diluting their YTD net short position to below IDR 1 trillion. **NH KSI RESEARCH suggests that investors/traders need to assess whether the rise in Barito Group shares is still reasonable and anticipate an overall market pullback to 7280-7240 levels;** hence our Best Advise is to set your Trailing Stop.

Company News

- SIDO: Distribute IDR540 Billion Dividend
- ASRI: 1Q24 Profit IDR42 Billion
- ADRO: Ready to Buyback IDR4 Trillion

Domestic & Global News

PLN Opens Auction for Joint Development of 6 Geothermal Blocks
China's Economic Alarm, Consumption Suddenly Slows

Sectors

	Last	Chg.	%
Basic Material	1431.88	23.36	1.66%
Finance	1414.09	18.67	1.34%
Healthcare	1427.76	10.65	0.75%
Transportation & Logistic	1320.74	6.94	0.53%
Industrial	1033.40	5.43	0.53%
Technology	3440.91	14.13	0.41%
Property	637.55	2.34	0.37%
Infrastructure	1629.32	5.89	0.36%
Energy	2234.17	4.72	0.21%
Consumer Cyclicals	755.58	-2.88	-0.38%
Consumer Non-Cyclicals	701.58	-2.90	-0.41%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.25%	6.00%	Real GDP	5.11%	5.04%
FX Reserve (USD bn)	136.20	140.40	Current Acc (USD bn)	-1.29	-0.90
Trd Balance (USD bn)	3.56	4.47	Govt. Spending Yoy	19.90%	2.81%
Exports Yoy	1.72%	-4.19%	FDI (USD bn)	4.82	4.86
Imports Yoy	4.62%	-12.76%	Business Confidence	104.82	104.30
Inflation Yoy	3.00%	3.05%	Cons. Confidence*	127.70	123.80

JCI Index

May 17	7,317.24
Chg.	70.54 pts (+0.97%)
Volume (bn shares)	21.36
Value (IDR tn)	13.39
Up 217 Down 226 Unchanged 226	

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BRPT	1,544.0	TPIA	463.9
BBRI	1,024.5	BREN	373.6
BBCA	974.2	TLKM	360.8
BMRI	870.4	BBNI	352.0
ASII	482.3	INCO	284.3

Foreign Transaction

(IDR bn)

Buy	5,769		
Sell	4,903		
Net Buy (Sell)	867		
Top Buy	NB Val.	Top Sell	NS Val.
BBCA	324.9	TLKM	138.1
TPIA	176.6	SMGR	31.0
BBRI	173.2	MNCN	14.5
BMRI	148.2	MDKA	14.1
ASII	61.7	INCO	12.6

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.94%	-0.04%
USDIDR	15,955	0.19%
KRWIDR	11.77	-0.54%

Global Indices

Index	Last	Chg.	%
Dow Jones	40,003.59	134.21	0.34%
S&P 500	5,303.27	6.17	0.12%
FTSE 100	8,420.26	(18.39)	-0.22%
DAX	18,704.42	(34.39)	-0.18%
Nikkei	38,787.38	(132.88)	-0.34%
Hang Seng	19,553.61	177.08	0.91%
Shanghai	3,154.03	31.63	1.01%
Kospi	2,724.62	(28.38)	-1.03%
EIDO	21.30	0.28	1.33%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,415.2	38.4	1.61%
Crude Oil (\$/bbl)	80.06	0.83	1.05%
Coal (\$/ton)	141.50	(2.00)	-1.39%
Nickel LME (\$/MT)	21,080	1283.0	6.48%
Tin LME (\$/MT)	34,251	522.0	1.55%
CPO (MYR/Ton)	3,892	88.0	2.31%

SIDO : Distribute IDR540 Billion Dividend

PT Industri Jamu Dan Farmasi Sido Muncul Tbk (SIDO) has decided to distribute a final dividend of IDR18 per share or IDR540 billion. This was decided at the Annual General Meeting of Shareholders (AGMS) held on May 15, 2024. Previously, SIDO has distributed an interim dividend of IDR12.6 per share in November 2023, so that in total the Company has distributed 97% of its net profit in 2023. (Kontan)

ASRI : 1Q24 Profit IDR42 Billion

PT Alam Sutera Realty Tbk (ASRI) as of March 31, 2024 recorded a net profit of IDR42.12 billion, a 39% YoY surplus. Sales, service revenues, and other businesses were recorded at IDR 947.27 billion, jumping 36% YoY. Cost of sales, service revenue, and other business was recorded at IDR466.28 billion, an increase from IDR386.62 billion. Gross profit was recorded at IDR480.99 billion, skyrocketing from IDR308.44 billion. (Emiten News)

ADRO : Ready to Buyback IDR4 Trillion

PT Adaro Energy Indonesia Tbk (ADRO) is ready to buyback shares with a maximum value of IDR 4 trillion. The plan received absolute support from 99.91% or 25.66 billion shareholders. The buyback will be carried out within 12 months, or one year. It will be effective from May 16, 2024. The source of buyback funds comes from internal cash. The use of these funds will not significantly affect the company's financial capacity. (Emiten News)

Domestic & Global News

PLN Opens Auction for Joint Development of 6 Geothermal Blocks

PT Perusahaan Listrik Negara (Persero) or PLN is opening a joint development auction for six geothermal working areas (WKP) in the middle of this year. The six WKPs include Atadei in NTT, Songa Wayaua in South Halmahera and Kepahiang in Bengkulu. The Kepahiang block is of interest to PT Barito Renewables Energy Tbk's (BREN) geothermal affiliate, Star Energy Geothermal Pte. Ltd. Later, the state-owned electricity company also auctioned WKP Tulehu in Maluku, Tangkuban Perahu in West Java and Ungaran in Central Java. "This is proof that the partnership concept offered by PLN is in demand by private business entities," said Executive Vice President of Corporate Communications and TJSL Gregorius Adi Trianto when contacted, Sunday (19/5/2024). Greg said the cooperation scheme offered by PLN to potential partners is the Geothermal Exploration and Energy Conversion Agreement (GEECA). The principle of this scheme is risk sharing, where in the exploration phase, partners will be responsible for drilling activities including existing risks. Meanwhile, PLN will handle settlements related to licensing, land acquisition and construction of drilling support infrastructure including managing risks related to social issues. (Bisnis)

China's Economic Alarm, Consumption Suddenly Slows

China's consumer spending growth unexpectedly slowed in April 2024 amid rising industrial production. This shows the imbalance of economic recovery in the world's second largest country. The National Bureau of Statistics (NBS) said retail sales increased 2.3%. The figure was down from 3.1% in March, and worse than economists' predictions in a Bloomberg survey of 3.7%. Meanwhile, industrial output rose 6.7% in April compared to a year ago, faster than the median forecast of 5.5%. China's export-driven manufacturing sector has driven the country's economy this year, as the housing crisis continues to weigh on domestic demand. Exports grew again in April and factory activity increased for a second month. But consumer prices remained sluggish, and credit shrank for the first time since 2005. (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							3,753.2							
BBCA	9,750	9,400	11,025	Overweight	13.1	11.1	1,201.9	24.1x	5.3x	22.8	2.8	7.6	10.6	1.0
BBRI	4,920	5,725	6,850	Buy	39.2	(5.4)	745.7	12.3x	2.5x	21.1	6.5	17.8	1.9	1.1
BBNI	5,175	5,375	6,475	Buy	25.1	18.3	193.0	9.2x	1.3x	14.7	5.4	9.4	2.2	1.1
BMRI	6,575	6,050	7,800	Buy	18.6	31.5	613.7	11.1x	2.5x	24.1	5.4	13.2	1.1	1.2
AMAR	250	320	400	Buy	60.0	(21.4)	4.6	20.9x	1.4x	5.5	N/A	21.1	N/A	0.3
Consumer Non-Cyclicals							1,120.4							
INDF	6,150	6,450	7,400	Buy	20.3	(9.6)	54.0	8.0x	0.9x	11.4	4.2	0.8	(36.3)	0.5
ICBP	10,550	10,575	13,600	Buy	28.9	(4.1)	123.0	22.8x	2.9x	13.0	1.8	4.1	(40.4)	0.6
UNVR	2,710	3,530	3,100	Overweight	14.4	(39.2)	103.4	21.3x	21.3x	95.1	4.9	(5.0)	2.7	0.7
MYOR	2,320	2,490	2,800	Buy	20.7	(12.8)	51.9	14.5x	3.2x	24.3	1.5	3.7	51.5	0.5
CPIN	5,275	5,025	5,500	Hold	4.3	5.5	86.5	31.1x	3.1x	10.3	1.9	9.3	186.7	0.6
JPFA	1,460	1,180	1,400	Hold	(4.1)	24.3	17.1	9.2x	1.2x	13.9	3.4	18.4	N/A	0.9
AALI	6,100	7,025	8,000	Buy	31.1	(17.3)	11.7	11.1x	0.5x	4.8	4.0	0.8	2.6	0.8
TBLA	620	695	900	Buy	45.2	(1.6)	3.8	5.8x	0.4x	7.9	3.2	0.6	(10.6)	0.5
Consumer Cyclicals							398.2							
ERAA	408	426	600	Buy	47.1	(18.1)	6.5	7.6x	0.8x	11.6	4.7	12.6	7.8	1.0
MAPI	1,490	1,790	2,200	Buy	47.7	(12.6)	24.7	13.0x	2.4x	20.2	0.5	17.8	5.9	0.7
HRTA	388	348	590	Buy	52.1	(5.4)	1.8	5.3x	0.9x	17.6	3.9	89.7	47.1	0.3
Healthcare							274.1							
KLBF	1,500	1,610	1,800	Buy	20.0	(30.6)	70.3	24.2x	3.1x	13.2	2.5	6.3	12.5	0.5
SIDO	715	525	700	Hold	(2.1)	(7.1)	21.5	20.6x	5.7x	30.1	5.0	16.1	30.1	0.6
MIKA	3,070	2,850	3,000	Hold	(2.3)	14.6	43.7	43.8x	7.0x	16.6	1.2	21.0	26.8	0.3
Infrastructure							2,247.02							
TLKM	2,990	3,950	4,800	Buy	60.5	(25.1)	296.2	12.2x	2.1x	17.4	6.0	3.7	(5.8)	0.9
JSMR	5,000	4,870	5,100	Hold	2.0	42.5	36.3	5.3x	1.3x	27.1	1.5	36.0	17.8	0.9
EXCL	2,440	2,000	3,800	Buy	55.7	24.5	32.0	19.9x	1.2x	6.1	2.0	11.8	156.3	1.0
TOWR	760	990	1,310	Buy	72.4	(24.8)	38.8	11.5x	2.2x	20.3	3.2	6.3	6.7	0.6
TBIG	1,855	2,090	2,390	Buy	28.8	(7.7)	42.0	26.6x	3.5x	13.3	3.3	5.4	4.3	0.4
MTEL	610	705	860	Buy	41.0	(9.6)	51.0	25.1x	1.5x	5.9	N/A	7.3	0.0	0.7
PTPP	376	428	1,700	Buy	352.1	(29.1)	2.3	4.3x	0.2x	4.7	N/A	5.7	150.0	1.5
Property & Real Estate							240.0							
CTRA	1,160	1,170	1,300	Overweight	12.1	7.4	21.5	11.2x	1.1x	9.7	1.3	8.7	18.2	0.8
PWON	398	454	500	Buy	25.6	(14.2)	19.2	10.4x	1.0x	9.9	1.6	10.5	(44.4)	0.9
Energy							1,435.0							
ITMG	24,075	25,650	26,000	Overweight	8.0	(8.5)	27.2	4.6x	1.0x	22.4	18.3	(28.6)	(68.8)	1.2
PTBA	2,920	2,440	4,900	Buy	67.8	(10.7)	33.6	5.8x	1.5x	22.1	37.5	(5.5)	(31.8)	1.1
HRUM	1,395	1,335	1,600	Overweight	14.7	9.0	18.9	7.7x	1.3x	18.6	N/A	2.3	(50.2)	1.4
ADRO	2,880	2,380	2,870	Hold	(0.3)	13.4	92.1	3.6x	0.8x	22.9	15.2	(21.5)	(17.7)	1.4
Industrial							355.0							
UNTR	22,300	22,625	25,900	Buy	16.1	(7.2)	83.2	4.1x	1.0x	22.9	10.2	(7.1)	(14.6)	1.1
ASII	4,800	5,650	6,900	Buy	43.8	(24.1)	194.3	6.0x	0.9x	16.0	10.8	(2.1)	(14.4)	1.1
Basic Ind.							2,283.1							
SMGR	4,060	6,400	9,500	Buy	134.0	(31.5)	27.5	13.2x	0.6x	4.8	2.1	(6.3)	(15.7)	1.1
INTP	6,850	9,400	12,700	Buy	85.4	(34.0)	25.2	12.9x	1.1x	8.8	2.3	(3.8)	(35.9)	0.7
INCO	4,790	4,310	5,000	Hold	4.4	(26.3)	47.6	10.9x	1.2x	11.2	1.9	4.5	36.6	1.0
ANTM	1,620	1,705	2,050	Buy	26.5	(16.3)	38.9	23.6x	1.3x	5.9	4.9	(25.6)	(85.7)	1.4
NCKL	1,035	1,000	1,320	Buy	27.5	(3.7)	65.3	12.6x	2.6x	29.8	2.1	26.1	(33.7)	N/A
Technology							298.9							
GOTO	66	86	81	Buy	22.7	(41.6)	79.3	N/A	1.9x	(109.2)	N/A	22.4	78.1	1.8
Transportation & Logistic							38.5							
ASSA	830	790	990	Buy	19.3	(27.8)	3.1	24.8x	1.6x	6.8	N/A	3.1	32.3	1.6

* Target Price

Source: Bloomberg, NHKSI Research

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	10:00	BoP Current Account Balance	1Q		-\$1,930M	\$1,290M
20 – May	JP	11:00	Tertiary Industry Index MoM	Mar		0.1%	1.5%
Tuesday	—	—	—	—	—	—	—
21 – May	—	—	—	—	—	—	—
Wednesday	US	21:00	Existing Home Sales	Apr		4.18 M	4.19M
22 – May	ID	14:20	BI Rate	May 31		6.25%	6.25%
	KR	04:00	PPI YoY	Apr		—	-1.5%
Thursday	US	19:30	Initial Jobless Claims	May 18		—	222K
23 – May	US	20:45	S&P Global US Manufacturing PMI	May P		50.2	50.0
	US	21:00	New Home Sales	Apr		680K	693K
	KR	—	BoK Base Rate	May 23		3.50%	3.50%
Friday	US	19:30	Durable Goods Orders	Apr P		-0.6%	0.9%
24 – May	US	21:00	U. of Mich. Sentiment	May F		67.4	67.4

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	WEGE, PRAY, IMPC, DAYA, BBLD
20 – May.	Cum Dividend	TPIA, TEBE, PTBA, MAHA, LPIN, JSMR, HILL, BDKR, ANTM
Tuesday	RUPS	TMPO, SMKL, MAIN, JGLE, ITIC, ISAT, DYAN, CPIN, SQBB
21 – May.	Cum Dividend	PBID, HEAL
Wednesday	RUPS	WSKT, RANC, PYFA, MAPB, JECC, INOV, IKAI, GIAA, EKAD, BLTZ, BFIN, ARTO
22 – May	Cum Dividend	TOTL, NRCA, LTLS, INTP, EPMT
Thursday	RUPS	—
23 – May	Cum Dividend	—
Friday	RUPS	—
24 – May	Cum Dividend	—

Source: Bloomberg



IHS projection for 20 MAY 2024 :

Breakout from parallel channel + MA50

Support : 6900-6925 / 7000-7035 / 7100-7125 / 7250-7280

Resistance : 7350-7377 / 7435-7450

ADVISE : set trailing stop, potential retracement to 7280

MBMA—PT Merdeka Battery Materials Tbk



PREDICTION 20 MAY 2024

Overview

Breakout from strong resistance area

Advise

Spec buy

Entry Level: 605-595

Target: 655 / 690-700 / 720-730

Stoploss: 575

PTMP—PT Mitra Pack Tbk



PREDICTION 20 MAY 2024

Overview

Strong breakout from resistance

Advise

Buy on weakness

Entry Level: 145

Target: 159-162 / 176 / 195-196

Stoploss: 131

ANTM—PT Aneka Tambang Tbk



PREDICTION 20 MAY 2024

Overview

Breakout from MA50

Advise

Buy on weakness

Entry Level: 1620-1590

Target: 1670-1675 / 1700-1705 / 1740-1750

Stoploss: <1580

EXCL—PT XL Axiata Tbk



PREDICTION 20 MAY 2024

Overview

Rebound on MA50 + strong support area

Advise

Buy on weakness

Entry Level: 2420-2400

Target: 2500-2520 / 2600-2640 / 2700

Stoploss: <2340

ELSA—PT Elnusa Tbk



PREDICTION 20 MAY 2024

Overview

Fib retracement 38.2%

Advise

Buy on weakness

Entry Level: 442-436

Target: 456-460 / 478-480

Stoploss: 428

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