

Morning Brief

Daily | July 9, 2024

JCI Movement



Today's Outlook:

- The US stock market continued to push higher into their highs, with the S&P 500 and NASDAQ recording record closing highs on Tuesday (09/07/24), for the fifth and sixth consecutive time respectively, driven by gains in NVIDIA shares on optimistic sentiment regarding AI growth after Federal Reserve Chairman Jerome Powell told lawmakers that more "good" economic data would strengthen the case for an interest rate cut. In testimony before Congress, Powell said that while inflation "remains above" the 2% soft-landing target, it has evidently flattened in recent months as the labor market eases to pre-Covid pandemic levels. While he said "more good data would strengthen" the case for a rate cut, the US central bank chairman also reiterated that he could not promise when a rate cut could materialize. On its own the market continues to expect a 50 basis point cut for this year, while seeing a nearly 72% chance of a 25 bps cut at the September FOMC Meeting, according to CME FedWatch. Of course, US inflation data for June to be released this week (CPI on Thursday and PPI on Friday) will be decisive in giving a clearer idea of the market forecast.
- EARNING SEASON: Major bank stocks such as JPMorgan and Wells Fargo rose more than 1% and Citi gained 2.8%. All three banks are set to release quarterly results on Friday, marking the start of the second quarter earnings season. Reuters reported that the Fed is considering rule changes that could save big banks billions of dollars in capital. Analysts see S&P 500 companies increasing their average EPS by 10.1% in the second quarter, up from an 8.2% gain in the first quarter, according to LSEG data.
- ASIA & EUROPE MARKETS: not much data from either continent will be on the radar of markets, apart from the important Inflation data from CHINA (June) due this morning; with the Chinese economy expected to deliver goods & services price growth of 0.4% yoy at the consumer level (expected up from 0.3% in the previous period), and deflation easing to -0.8% yoy at the producer level (compared to -1.4% in the previous period).
- COMMODITIES: US WTI OIL futures prices slipped even as the American Petroleum Institute reported a larger-than-expected drop in domestic weekly crude stockpiles as an indication that summer demand is picking up. US WTI futures traded at USD 80.94/barrel, slipping further after earlier dropping 1.1% to USD 81.41/barrel. US crude oil inventories fell by around 1.9 million barrels for the week ending July 5, following a decline of 9.2 million barrels reported by the API in the previous week. This amount of decline was much larger than economists' forecasts of 250,000, and came even as refineries in the oil-rich state of Texas experienced limited disruptions, following the impact of Hurricane Beryl that made landfall on Monday. API data also showed that gasoline stocks dropped by 3 million barrels. The next official US government inventory report will be released later on Wednesday.
- INDONESIA: reported Retail Sales (May) grew positively by 2.1%, compared to -2.7% in the previous month. June car sales also still fell 11.8% but at least the pace of decline has started to slow down from 13.3% in May. The above economic data made JCI confidently appreciated 18.8pts to 7269.8 level, after previously touching a crucial Resistance level around 7300; supported by Foreign Net Buy worth IDR 166.18bn (RG market). There will be more economic data to watch today such as Consumer Confidence and motorcycle sales. Technically, NHKSI RESEARCH considers that the 4-day rise has severely tested the crucial Resistance level of 7270-7300, at a time when RSI has almost entered Overbought territory. Our best advice: set your Trailing Stop while you let your profit run.

Company News

- AMAR: Spent IDR 41 Billion, Bank Amar (AMAR) Buyback 158.54 Million Sheets
- SGER: SGER Secured USD22.5 Million Coal Import Contract to Vietnam
- ASII: Astra Car Sales Increase 6.3 Percent in June 2024

Domestic & Global News

Jokowi Agrees to Apply DMO of Cheap Gas for Domestic Industry 60%
China Demand Expectations Keep Copper Prices Stable

Sectors

	Last	Chg.	%
Finance	1391.87	19.74	1.44%
Industrial	1008.74	11.02	1.10%
Infrastructure	1577.32	4.85	0.31%
Property	614.65	1.01	0.17%
Consumer Cyclical	739.12	0.75	0.10%
Transportation & Logistic	1304.60	1.21	0.09%
Technology	3295.35	-4.58	-0.14%
Consumer Non-Cyclical	707.02	-1.68	-0.24%
Basic Material	1385.90	-4.75	-0.34%
Energy	2421.61	-18.53	-0.76%
Healthcare	1428.64	-18.54	-1.28%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.25%	6.25%	Real GDP	5.11%	5.04%
FX Reserve (USD bn)	140.18	139.00	Current Acc (USD bn)	-2.16	-1.29
Trd Balance (USD bn)	2.93	3.56	Govt. Spending Yoy	19.90%	2.81%
Exports Yoy	2.85%	1.72%	FDI (USD bn)	6.03	4.82
Imports Yoy	-8.84%	4.62%	Business Confidence	104.82	104.30
Inflation Yoy	2.51%	2.84%	Cons. Confidence*	123.30	125.20

JCI Index

July 9	7,269.80
Chg.	+18.82 pts (+0.26%)
Volume (bn shares)	18.85
Value (IDR tn)	11.00
Up 256 Down 225 Unchanged 188	

Most Active Stocks

(IDR bn)

by Value

Stocks	Val.	Stocks	Val.
BBRI	1,420.1	TLKM	364.5
BBCA	624.8	AMMN	293.7
BMRI	534.1	GOLF	221.5
BBNI	421.7	PGAS	219.5
ASII	387.7	BRPT	211.4

Foreign Transaction

(IDR bn)

Buy

Sell

Net Buy (Sell)

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	293.3	ASII	173.1
BBRI	182.0	BBNI	82.3
BMRI	96.6	ICBP	56.
AMMN	40.7	INCO	46.4
ADRO	37.2	SMGR	41.9

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.06%	0.03%
USDIDR	16,250	-0.03%
KRWIDR	11.75	-0.09%

Global Indices

Index	Last	Chg.	%
Dow Jones	39,291.97	(52.82)	-0.13%
S&P 500	5,576.98	4.13	0.07%
FTSE 100	8,139.81	(53.68)	-0.66%
DAX	18,236.19	(235.86)	-1.28%
Nikkei	41,580.17	799.47	1.96%
Hang Seng	17,523.23	(0.83)	0.00%
Shanghai	2,959.37	36.92	1.26%
Kospi	2,867.38	9.62	0.34%
EIDO	20.00	0.13	0.65%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,364.1	5.0	0.21%
Crude Oil (\$/bbl)	81.41	(0.92)	-1.12%
Coal (\$/ton)	135.25	0.20	0.15%
Nickel LME (\$/MT)	17,142	(331.0)	-1.89%
Tin LME (\$/MT)	34,350	132.0	0.39%
CPO (MYR/Ton)	3,959	(83.0)	-2.05%

AMAR : Spent IDR 41 Billion, Bank Amar (AMAR) Buyback 158.54 Million Sheets

Bank Amar Indonesia (AMAR) spent funds worth IDR 41.61 billion. The funds were allocated to buyback 158,547,455 shares. Purchases were made at an average price of IDR 262 per share. The buyback period has been carried out from January 5, 2024 to June 15, 2024. The buyback percentage has only reached 43.127 percent of all planned shares. "With the implementation of the buyback transaction until June 25, 2024, the remaining share buyback funds were recorded at IDR 16.23 billion," said Vishal Tulsian, President Director of Bank Amar Indonesia. (Emiten News)

SGER : SGER Secured USD22.5 Million Coal Import Contract to Vietnam

PT Sumber Global Energy Tbk (SGER) said that it has won another coal shipment contract to Vietnam. This time, SGER is collaborating with a consortium from Vietnam, namely Vinacomin Northern Coal to send coal to the country. Both parties, namely Sumber Global Energy and Vinacomin Northern Coal, have signed a coal import package agreement for 2024. This coal shipment has a potential contract value of up to USD 22.51 million. (Emiten News)

ASII : Astra Car Sales Increase 6.3 Percent in June 2024

Astra Car sales in June 2024 increased by 6.3% to 43,908 units compared to the previous month. This was conveyed by the Management of PT Astra International Tbk (ASII), in its report quoted on Tuesday (9/7). Meanwhile, in that period, market share increased 2% from the previous month to 60%. Meanwhile, national car sales in June 2024 amounted to 72,936, an increase of 2.3% compared to the previous month. "In June 2024, Astra's car sales recorded positive growth, reflected in the increase in Astra's car market share to 60%," said Astra Head of Corporate Communications Boy Kelana Soebroto. (Emiten News)

Domestic & Global News

Jokowi Agrees to Apply DMO of Cheap Gas for Domestic Industry 60%

President Joko Widodo (Jokowi) approved the plan for a 60% domestic market obligation (DMO) of natural gas for the needs of the domestic manufacturing and electricity industries. In addition, the mandatory domestic gas supply price will also be carried with a more rigid price determination of certain natural gas price policies (HGBT), starting from the wellhead to the point of delivery (plant gate) with the user industry. The regulation is contained in the Draft Government Regulation (RPP) on Natural Gas for Domestic Needs. The draft regulation has been pushed by the Ministry of Industry since the last 2 years. Minister of Industry Agus Gumiwang Kartasasmita said that the draft regulation at the level of government regulation was approved by Jokowi in a limited meeting related to the HGBT at the Presidential Palace, Jakarta, Monday (8/7/2024) yesterday. (Bisnis)

China Demand Expectations Keep Copper Prices Stable

Copper prices stabilized on Tuesday on the prospect of stronger demand from top consumer China. The strong demand outlook fueled short-covering ahead of Federal Reserve Chairman Jerome Powell's speech, which could indicate the timing of interest rate cuts and the direction of the dollar. Tuesday (9/7) at 17:21 WIB, the price of three-month contract copper on the London Metal Exchange (LME) rose 0.1% to USD 9,927 per metric ton. Gold prices have risen 5% since June 27, partly due to the weakening of the United States (US) currency. A weaker US dollar makes metals priced in dollars cheaper for holders of other currencies. Optimism over demand in China is fueled by the long-delayed third plenum of the Communist Party on July 15-18, which is expected to focus on economic policy and reform. (Kontan)

	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							3,689.9							
BBCA	10,075	9,400	11,025	Overweight	9.4	11.6	1,242.0	24.9x	5.5x	22.8	2.7	7.6	10.6	1.0
BBRI	4,870	5,725	6,375	Buy	30.9	(9.4)	738.1	12.2x	2.5x	21.1	6.6	17.8	1.9	1.3
BBNI	4,860	5,375	6,475	Buy	33.2	7.1	181.3	8.6x	1.2x	14.7	5.8	9.4	2.2	1.2
BMRI	6,375	6,050	7,800	Buy	22.4	23.8	595.0	10.8x	2.5x	24.1	5.6	13.2	1.1	1.2
AMAR	224	320	400	Buy	78.6	(22.8)	4.1	18.6x	1.2x	5.9	1.4	35.1	8.3	0.2
Consumer Non-Cyclicals							1,044.4							
INDF	5,950	6,450	7,400	Buy	24.4	(18.2)	52.2	7.7x	0.8x	11.4	4.5	0.8	(36.3)	0.5
ICBP	10,325	10,575	13,600	Buy	31.7	(8.4)	120.4	22.3x	2.8x	13.0	1.9	4.1	(40.4)	0.6
UNVR	3,000	3,530	3,100	Hold	3.3	(29.2)	114.5	23.6x	23.6x	95.1	4.7	(5.0)	2.7	0.4
MYOR	2,430	2,490	2,800	Buy	15.2	(8.0)	54.3	15.2x	3.4x	24.3	2.3	3.7	51.5	0.4
CPIN	5,300	5,025	5,500	Hold	3.8	(1.4)	86.9	31.2x	3.1x	10.3	0.6	9.3	186.7	0.7
JPFA	1,575	1,180	1,400	Underweight	(11.1)	14.1	18.5	9.9x	1.3x	13.9	N/A	18.4	N/A	1.0
AALI	5,700	7,025	8,000	Buy	40.4	(26.5)	11.0	10.3x	0.5x	4.8	4.3	0.8	2.6	0.8
TBLA	680	695	900	Buy	32.4	(13.4)	4.1	6.4x	0.5x	7.9	5.9	0.6	(10.6)	0.4
Consumer Cyclicals							400.4							
ERAA	382	426	600	Buy	57.1	(23.6)	6.1	7.1x	0.8x	11.6	4.5	12.6	7.8	0.9
MAPI	1,405	1,790	2,200	Buy	56.6	(20.2)	23.3	12.2x	2.2x	20.2	0.6	17.8	5.9	0.6
HRTA	364	348	590	Buy	62.1	(16.1)	1.7	5.0x	0.8x	17.6	4.1	89.7	47.1	0.4
Healthcare							283.1							
KLBF	1,550	1,610	1,800	Buy	16.1	(22.1)	72.7	25.0x	3.2x	13.2	2.0	6.3	12.5	0.5
SIDO	740	525	700	Underweight	(5.4)	1.4	22.2	21.3x	5.9x	30.1	4.1	16.1	30.1	0.6
MIKA	2,970	2,850	3,000	Hold	1.0	14.2	42.3	42.4x	6.8x	16.6	1.1	21.0	26.8	0.5
Infrastructure							2,176.56							
TLKM	3,080	3,950	4,800	Buy	55.8	(22.2)	305.1	12.6x	2.1x	17.4	5.8	3.7	(5.8)	1.0
JSMR	5,250	4,870	5,100	Hold	(2.9)	33.2	38.1	5.5x	1.3x	27.1	0.7	36.1	24.7	0.9
EXCL	2,270	2,000	3,800	Buy	67.4	10.2	29.8	18.5x	1.1x	6.1	2.1	11.8	156.3	0.9
TOWR	785	990	1,310	Buy	66.9	(28.6)	40.0	11.9x	2.3x	20.3	3.1	6.3	6.7	0.9
TBIG	1,920	2,090	2,390	Buy	24.5	(4.0)	43.5	27.6x	3.6x	13.3	3.1	5.4	4.3	0.5
MTGL	680	705	860	Buy	26.5	-	56.8	28.0x	1.6x	5.9	2.7	7.3	0.0	0.7
PTPP	400	428	1,700	Buy	325.0	(33.3)	2.5	4.6x	0.2x	4.7	N/A	5.7	150.0	1.6
Property & Real Estate							310.2							
CTRA	1,215	1,170	1,300	Overweight	7.0	16.3	22.5	11.8x	1.1x	9.7	1.7	8.7	18.2	0.7
PWON	392	454	500	Buy	27.6	(18.0)	18.9	10.3x	1.0x	9.9	2.3	10.5	(44.4)	0.7
Energy							1,542.4							
ITMG	25,525	25,650	26,000	Hold	1.9	2.7	28.8	4.7x	1.0x	22.4	17.3	(28.6)	(68.8)	1.0
PTBA	2,530	2,440	4,900	Buy	93.7	(8.7)	29.1	5.1x	1.3x	22.1	15.7	(5.5)	(31.8)	0.9
HRUM	1,225	1,335	1,600	Buy	30.6	(22.7)	16.6	20.5x	1.1x	5.7	N/A	(9.7)	(99.1)	1.1
ADRO	2,900	2,380	2,870	Hold	(1.0)	21.8	92.8	3.5x	0.8x	22.9	14.1	(21.5)	(17.7)	1.2
Industrial							348.1							
UNTR	23,675	22,625	25,900	Overweight	9.4	(0.3)	88.3	4.3x	1.0x	22.9	9.6	(7.1)	(14.6)	1.0
ASII	4,560	5,650	6,900	Buy	51.3	(33.2)	184.6	5.7x	0.9x	16.0	11.4	(2.1)	(14.4)	1.1
Basic Ind.							2,324.3							
SMGR	4,180	6,400	9,500	Buy	127.3	(34.9)	28.2	13.6x	0.6x	4.8	2.0	(6.3)	(15.7)	1.1
INTP	7,600	9,400	12,700	Buy	67.1	(24.9)	28.0	14.4x	1.2x	8.8	1.2	(3.8)	(35.9)	0.7
INCO	4,000	4,249	5,000	Buy	25.0	(35.9)	42.2	13.6x	1.0x	7.3	N/A	(36.7)	(96.5)	0.8
ANTM	1,345	1,705	2,050	Buy	52.4	(31.9)	32.3	19.6x	1.0x	5.9	9.5	(25.6)	(85.7)	1.3
NCKL	985	1,000	1,320	Buy	34.0	2.1	62.2	12.0x	2.5x	29.8	2.7	26.1	(33.7)	N/A
Technology							283.9							
GOTO	50	86	81	Buy	62.0	(53.7)	60.1	N/A	1.4x	(109.2)	N/A	22.4	78.1	1.6
Transportation & Logistic							38.4							
ASSA	720	790	990	Buy	37.5	(42.6)	2.7	21.5x	1.4x	6.8	2.8	3.1	32.3	1.5

* Target Price

Source: Bloomberg, NHKS Research

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	-	-	-	-	-	-	-
08 – July							
Tuesday	-	-	-	-	-	-	-
09 – July							
Wednesday	US	18.00	MBA Mortgage Applications	-	June 28	-	0.8%
10 – July	JP	06.50	PPI YoY	-	Jun	2.9%	2.4%
	KR	06.00	Unemployment Rate SA	-	Jun	2.8%	2.8%
Thursday	US	19.30	CPI MoM	-	Jun	0.1%	0.0%
11 – July	US	19.30	CPI YoY	-	Jun	3.1%	3.3%
	US	19.30	Initial Jobless Claims	-	Jul 6	-	238k
	GE	13.00	CPI MoM	-	Jun F	0.1%	0.1%
	GE	13.00	CPI YoY	-	Jun F	2.2%	2.2%
	JP	06.50	Core Machine Orders MoM	-	May	0.8%	-2.9%
Friday	US	19.30	PPI Final Demand MoM	-	Jun	0.1%	-0.2%
12 – July	US	19.30	U. Of Michigan Sentiment	-	Jul P	67.0	68.2
	JP	11.30	Industrial Production MoM	-	May F	-	2.8%

Source: Bloomberg, NHKSI Research

Corporate Calendar

Date	Event	Company
Monday	RUPS	CMPP
08 – July	Cum Dividend	CITA, CRSN, FILM, ICBP, INCI, INDF, ISSP, MHKI, RMKE, SOHO, TCPI
Tuesday	RUPS	-
09 – July	Cum Dividend	-
Wednesday	RUPS	BLTA
10 – July	Cum Dividend	-
Thursday	RUPS	KIOS, MDRN, TOPS, YELO
11 – July	Cum Dividend	-
Friday	RUPS	CNMA, FIRE, SSIA
12 – July	Cum Dividend	-

Source: Bloomberg, NHKSI Research

IHSG projection for 10 July 2024 :

Reached new resistance, possible small retracement



Support : 7170-7200 / 7040-7090 / 6950-6990 / 6850-6870 / 6750-6770

Resistance : 7450 / 7360-7390 / 7260-7285

ADVISE : trailing stop

BRPT —PT Barito Pacific Tbk.



PREDICTION 10 July 2024

Overview

Fib. Retracement 50% to support area at MA200

Advise

Spec buy

Entry Level: 1110-1090

Target: 1260-1265 / 1300-1345 / 1410-1460

Stoploss: 1050

BBNI —PT Bank Negara Indonesia (Persero) Tbk



PREDICTION 10 July 2024

Overview

Breakout from declining parallel channel

Advise

Spec buy

Entry Level: 4860-4770

Target: 5175-5275 / 5375-5425 / 5675-5725

Stoploss: 4630

ABMM —PT ABM Investama Tbk



PREDICTION 10 July 2024

Overview

Double bottom

Advise

Buy on break

Entry Level: >3770

Target: 3900-3950 / 4060-4140

Stoploss: 3650

HRUM —PT Harum Energy Tbk



PREDICTION 10 July 2024

Overview

Hammer candle breakout from minor resistance

Advise

Spec buy

Entry Level: 1225-1210

Target: 1295-1320 / 1410-1440

Stoploss: 1155

UNVR —PT Unilever Indonesia Tbk



PREDICTION 10 July 2024

Overview

Declining wedge

Advise

Buy on break

Entry Level: >3100

Target: 3200-3230 / 3330-3390

Stoploss: <3000

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