

Weekly Brief (July 01 – 05, 2024)

Summary:

Last week review:

- **THE S&P500 AND NASDAQ INDEXES MARKED QUARTERLY GAINS of 3.9% and 8.3% respectively; while the DOW JONES INDUSTRIAL AVERAGE fell 1.7%. According to the US PCE PRICE INDEX, the Fed's favorite Inflation benchmark data released last Friday, data showed US monthly inflation was unchanged in May, an encouraging development after strong price increases earlier this year cast doubts over the effectiveness of the Fed's monetary policy.** The Commerce Department report also showed that consumer spending increased slightly last month, fueling optimism that the US central bank could engineer a much-desired "soft landing" for the US economy, especially after a number of economic indicators had previously emerged and emphasized the view of a US economic slowdown. For example, the final Q1 US GDP figure of 1.4% did not budge much from previous estimates, down considerably from 3.4% in the previous quarter. Not to mention US Consumer Confidence, Durable Goods Order and a number of housing sector data are also (still) on a downward trend. The market calculated the chance of a rate cut in September rose to 66% after the US PCE PRICE index was released, as reported by LSEG FedWatch.
- **Investors expect two rate cuts this year despite the Fed's projection of only one this year, as inflation cools. The FIRST US PRESIDENTIAL CANDIDATE DEBATE on Thursday between US President Joe Biden and his Republican rival Donald Trump also influenced stock market sentiment and uncertainty factors, citing the incumbent's shaky performance and Trump's high electability.**

Weekly Brief (July 01 – 05, 2024)

Summary: Last week review

- **MARKET DIRECTION:** Data from Goldman Sachs shows that hedge funds are aggressively selling Technology stocks at the moment, with net sales in the sector in June being the largest on record. Once Inflation data proves to be under control, analysts anticipate sector rotation from the Technology sector to other laggard sectors this year as long as it is supported by positive corporate earnings data. The Bloomberg survey stated that 52% of respondents believe that S&P500 stocks are currently overpriced. Furthermore, 40% of respondents anticipate a 10% correction in the S&P500 this year, which 55% believe could start next month. JPMorgan predicts a 23% downside risk for the S&P500 to the 4200 level; triggered by doubts about the ability of stocks to maintain their earnings growth rates through the second half of the year.
- **COMMODITIES:** For the past week, BRENT prices rose 0.02% while US WTI posted a loss of 0.2%. Both world crude oil benchmark prices rose about 6% in June. Underlying sentiment: Global crude oil supply disruptions as geopolitical tensions in the Middle East (Israel vs Lebanon's Hezbollah which is feared to spill over to Iran, a major oil producer) and Europe (Russia vs Ukraine, where Russia is starting to consider reducing ties with the West as they are perceived to be overly meddling in the Ukraine War); while a surprise increase in US crude oil and gasoline stocks in the summer which should be a good time for the road trip season, prevented the price of this commodity from going higher as it again indicates weak demand.

Weekly Brief (July 01 – 05, 2024)

This week's outlook:

Friday's US employment report will be the highlight of a holiday-shortened week commemorating the 4th of July, as markets seek clarity on when exactly interest rate cuts could begin. Federal Reserve Chairman Jerome Powell's comments will be closely watched, along with the minutes of the US central bank's latest meeting on Wednesday. Elections in France and the UK will also keep markets on their toes.

Here are some of the focuses that market investors need to monitor this week:

- **US LABOR DATA:** Investors will focus their attention on Friday's **NONFARM PAYROLLS** report as they look for fresh indications of when the Federal Reserve might start lowering interest rates. Economists expect the US economy to add 189,000 jobs in June, after the previous month's upside surprise of 272,000, proving the strength of the labor market. Ahead of the Nonfarm Payrolls data, Tuesday's US JOLTs JOB OPENINGS report is expected to show that job openings declined again in May, suggesting employers have successfully filled positions.
- **CENTRAL BANKERS' COMMENTS & FOMC MEETING MINUTES RELEASE:** Fed Chairman Jerome Powell will present at the European Central Bank's annual forum in Sintra, Portugal on Tuesday. Powell, along with ECB President Christine Lagarde will participate in a panel discussion on "Monetary policy in an era of transition", where investors are looking for fresh insights on interest rate policy going forward. Meanwhile, the minutes of the Fed's June meeting will be outlined on Wednesday based on the central bank's views on the economic outlook and factors affecting the monetary policy outlook.

Weekly Brief (July 01 – 05, 2024)

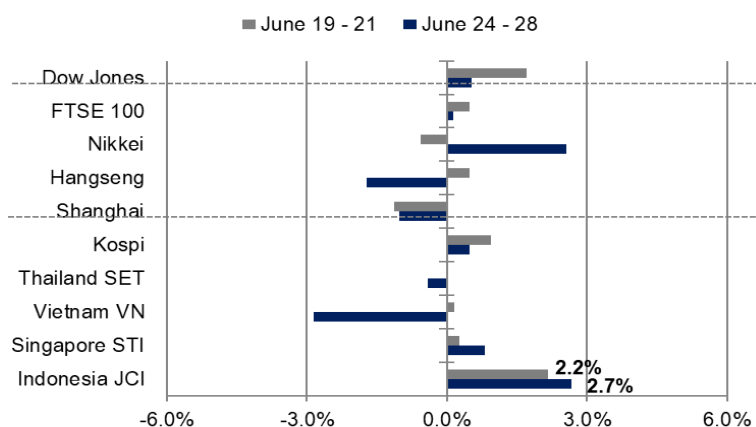
This week's outlook:

- **ELECTIONS IN FRANCE & UK:** France goes to the polls on Sunday, the first round of a snap election that has shocked and rattled markets. A week later, investors will be eagerly awaiting clues to the results of the second round. Meanwhile, polls on Thursday predicted a landslide victory for the Labor Party in the UK, sending the Poundsterling back to levels not seen since the 2016 Brexit vote. Traders saw a return to stability after the intense political turmoil of 14 years of Conservative Party rule and speculated that Labor leader Keir Starmer could re-establish trade relations with Europe.
- **EUROZONE INFLATION:** The Eurozone will release Inflation (June) data on Tuesday, following Germany's report on Monday, with economists expecting a slight slowdown in both headline and core inflation after a rise in May. On Thursday, the ECB will publish its June meeting minutes, when it cut interest rates for the first time since September 2019; a step ahead of the Fed's planned rate cut.
- **CHINA PMI:** Official data on Sunday showed that manufacturing activity in China declined for a second month in June while services activity slumped to a 5-month low, calling for urgency for stimulus to continue as the world's second largest economy struggles to gain momentum. The Caixin Manufacturing PMI, due out on Monday, is expected to fall. Analysts expect China to roll out more policy support measures in the short term, while the government's pledge to increase fiscal stimulus is seen helping to push domestic consumption to higher levels.
- **INDONESIA:** Will be awaiting INFLATION (June) figures early this week with estimates: weakening to 2.7% YoY, versus 2.84% in the previous month. However Core Inflation (June) is anticipated to heat up slightly to 1.96% YoY, from 1.93% in the previous month. Investors will also start focusing on economic data from the Nikkei Manufacturing PMI (Jun) on Monday, followed by FX Reserves (June) on Friday.

JCI Index : 7063.58 (+2.76%)
Foreign Flow : Net Buy of IDR 500.2B (Vs. last week's net buy of IDR 2.59T)
USD/IDR : 16,385 (-0.24%)

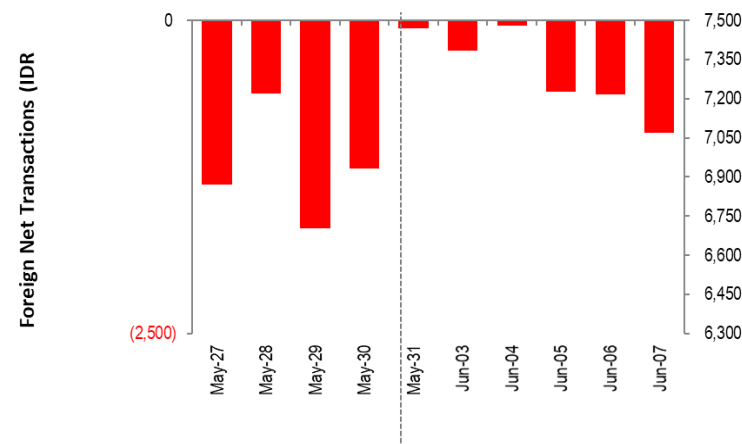
Last Week's JCI Movement

Global Market Movement



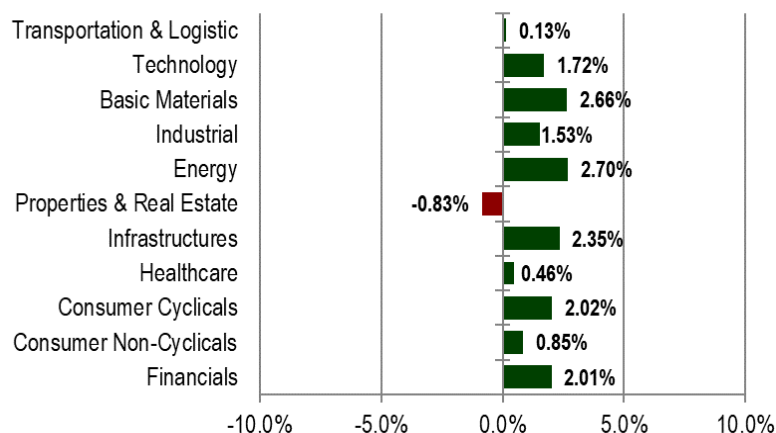
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



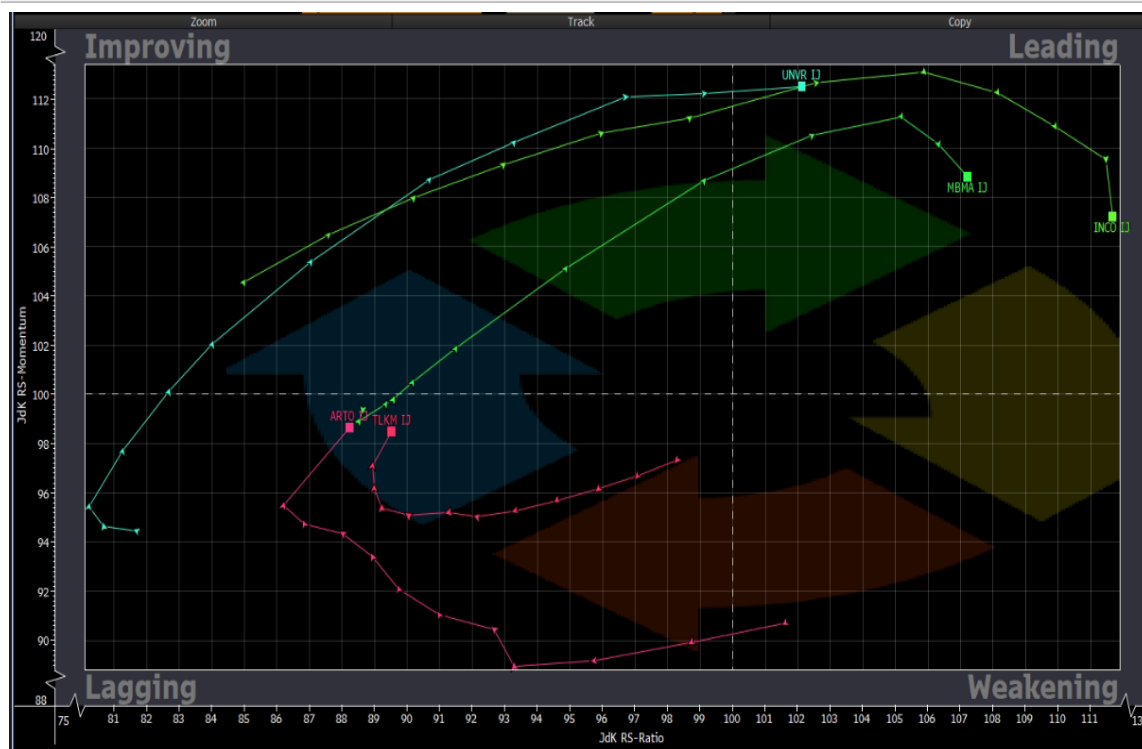
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

| Top Foreign Buy (RG) | Net Buy Value | Top Foreign Sell (RG) | Net Sell Value |
|----------------------|---------------|-----------------------|----------------|
| BBCA | IDR 1.4 T | BBRI | IDR 495.9 B |
| TLKM | IDR 299.4 B | BMRI | IDR 291.4 B |
| BRIS | IDR 259.4 B | ASII | IDR 87.7 B |
| TPIA | IDR 170.7 B | GOTO | IDR 83.2 B |
| BUKA | IDR 64.1 B | BBNI | IDR 69.6 B |

Source: Bloomberg, NHKSI Research

Stocks Recommendation



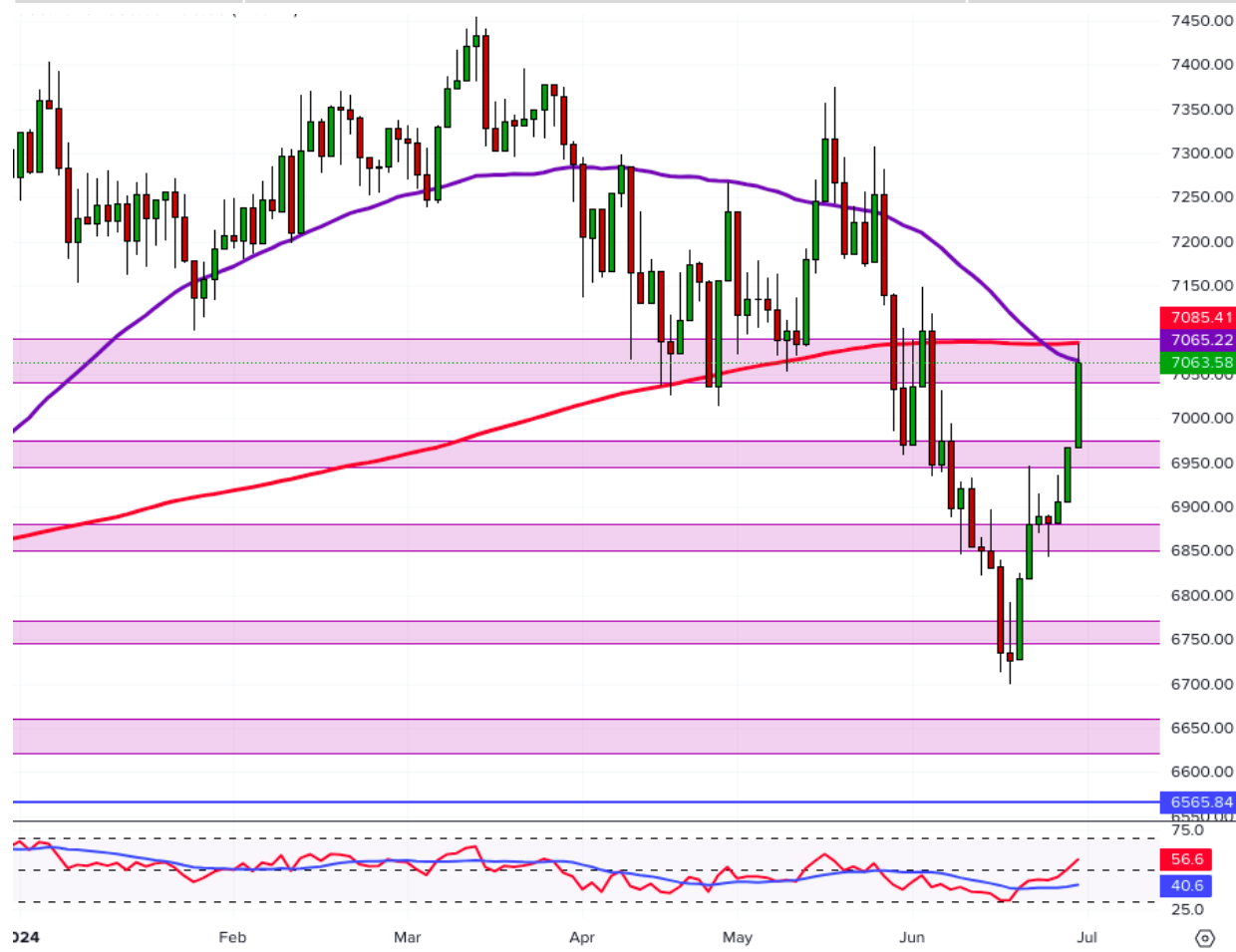
Source: Bloomberg, NHKSI Research

| Stocks | TP | SL |
|--------|-----------------------------------|------|
| UNVR | 3200-3230 / 3390-3410 / 3550-3580 | 2950 |
| MBMA | 700-730 / 755 / 800-830 | 575 |
| INCO | 4570-4600 / 4700-4715 / 5000-5050 | 3950 |
| ARTO | 2800-2850 / 3190-3200 | 2100 |
| TLKM | 3310-3410 / 3680-3700 | 2950 |

Source: NHKSI Research

JCI Index

| Support | 6950- 6990 / 6850-6870 / 6750-6770 / 6640-6660 | Resistance | 7230-7270 / 7140-7175 / 7035-7075 |
|---------|--|------------|-----------------------------------|
|---------|--|------------|-----------------------------------|



Source: NHKSI Research

Economic Calendar

| Date | Country | Hour Jakarta | Event | Actual | Period | Consensus | Previous |
|------------------|---------|--------------|---------------------------------|--------|---------|-----------|-----------|
| Monday | US | 20.45 | S&P Global US Manufacturing PMI | - | Jun F | 51.7 | 51.7 |
| <i>01 – July</i> | US | 21.00 | ISM Manufacturing | - | Jun | 49.2 | 48.7 |
| | JP | 07.30 | Jibun Bank Japan PMI Mfg | - | Jun F | - | 50.1 |
| | ID | 07.30 | S&P Global Indonesia PMI Mfg | - | Jun | - | 52.1 |
| | ID | 11.00 | CPI YoY | - | Jun | 2.7% | 2.84% |
| | GR | 19.00 | CPI YoY | - | Jun | 2.3% | 2.4% |
| Tuesday | KR | 06.00 | CPI YoY | - | Jun | 2.6% | 2.7% |
| <i>02 – July</i> | | | | | | | |
| Wednesday | US | 18.00 | MBA Mortgage Applications | - | June 28 | - | 0.8% |
| <i>03 – July</i> | US | 19.15 | ADP Employment Change | - | June 21 | 163k | 152k |
| | US | 19.30 | Trade Balance | - | May | -\$ 72.2B | -\$ 74.6B |
| | US | 19.30 | Initial Jobless Claim | - | June 29 | - | 233k |
| | US | 21.00 | Factory Orders | - | May | 0.3% | 0.7% |
| | US | 21.00 | Durable Goods Orders | - | May F | - | 0.1% |
| Thursday | - | - | - | - | - | - | - |
| <i>04 – July</i> | | | | | | | |
| Friday | US | 19.30 | Change in Nonfarm Payrolls | - | Jun | 188k | 272k |
| <i>05 – July</i> | US | 19.30 | Unemployment Rate | - | Jun | 4% | 4% |

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

| Date | Event | Company |
|------------------|--------------|--|
| Monday | RUPS | - |
| 01 – July | Cum Dividend | AMFG, BAYU, CAMP, DOID, GPRA, IDPR, MITI, PANS, SMSM, SOSS, SSIA, WGSB |
| Tuesday | RUPS | LAND |
| 02 – July | Cum Dividend | AGII, BSSR, CBPE, KLAS, MDKI, MYOH, RDTX, SAMF, TSPC |
| Wednesday | RUPS | WSBP |
| 03 – July | Cum Dividend | AMAN, ASDM, BLUE, CLPI, HOKI, LIFE, LION, MICE, SRSN, TALF |
| Thursday | RUPS | - |
| 04 – July | Cum Dividend | CEKA, ELIT, TEBE, TOWR, UNIQ |
| Friday | RUPS | AMIN |
| 05 July | Cum Dividend | - |

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 | | | | | | | 3,578.8 | | | | | | | |
| BBCA | 9,325 | 9,400 | 11,025 | Buy | 18.2 | 2.5 | 1,149.5 | 23.0x | 5.1x | 22.8 | 2.9 | 7.6 | 10.6 | 1.0 |
| BBRI | 4,350 | 5,725 | 6,375 | Buy | 46.6 | (19.4) | 659.3 | 10.9x | 2.2x | 21.1 | 7.3 | 17.8 | 1.9 | 1.2 |
| BBNI | 4,700 | 5,375 | 6,475 | Buy | 37.8 | 2.7 | 175.3 | 8.3x | 1.2x | 14.7 | 6.0 | 9.4 | 2.2 | 1.2 |
| BMRI | 6,275 | 6,050 | 7,800 | Buy | 24.3 | 24.9 | 585.7 | 10.6x | 2.4x | 24.1 | 5.6 | 13.2 | 1.1 | 1.3 |
| AMAR | 246 | 320 | 400 | Buy | 62.6 | (18.0) | 4.5 | 20.5x | 1.4x | 5.5 | 1.2 | 21.1 | N/A | 0.3 |
| Consumer Non-Cyclicals | | | | | | | 1,116.8 | | | | | | | |
| INDF | 6,200 | 6,450 | 7,400 | Buy | 19.4 | (16.8) | 54.4 | 8.1x | 0.9x | 11.4 | 4.1 | 0.8 | (36.3) | 0.5 |
| ICBP | 10,575 | 10,575 | 13,600 | Buy | 28.6 | (6.4) | 123.3 | 22.9x | 2.9x | 13.0 | 1.8 | 4.1 | (40.4) | 0.7 |
| UNVR | 3,010 | 3,530 | 3,100 | Hold | 3.0 | (34.1) | 114.8 | 23.7x | 23.7x | 95.1 | 4.5 | (5.0) | 2.7 | 0.6 |
| MYOR | 2,370 | 2,490 | 2,800 | Buy | 18.1 | (11.2) | 53.0 | 14.8x | 3.3x | 24.3 | 1.5 | 3.7 | 51.5 | 0.5 |
| CPIN | 5,225 | 5,025 | 5,500 | Overweight | 5.3 | 4.9 | 85.7 | 30.8x | 3.1x | 10.3 | 0.6 | 9.3 | 186.7 | 0.6 |
| JPFA | 1,360 | 1,180 | 1,400 | Hold | 2.9 | 12.4 | 15.9 | 8.6x | 1.1x | 13.9 | N/A | 18.4 | N/A | 0.9 |
| AALI | 5,875 | 7,025 | 8,000 | Buy | 36.2 | (16.7) | 11.3 | 10.7x | 0.5x | 4.8 | 4.2 | 0.8 | 2.6 | 0.9 |
| TBLA | 675 | 695 | 900 | Buy | 33.3 | 4.7 | 4.1 | 6.4x | 0.5x | 7.9 | 3.0 | 0.6 | (10.6) | 0.4 |
| Consumer Cyclicals | | | | | | | 390.1 | | | | | | | |
| ERAA | 412 | 426 | 600 | Buy | 45.6 | (16.9) | 6.6 | 7.7x | 0.9x | 11.6 | 4.6 | 12.6 | 7.8 | 0.9 |
| MAPI | 1,475 | 1,790 | 2,200 | Buy | 49.2 | (21.5) | 24.5 | 12.8x | 2.3x | 20.2 | 0.5 | 17.8 | 5.9 | 0.8 |
| HRTA | 360 | 348 | 590 | Buy | 63.9 | (7.7) | 1.7 | 4.9x | 0.8x | 17.6 | 4.2 | 89.7 | 47.1 | 0.4 |
| Healthcare | | | | | | | 278.4 | | | | | | | |
| KLBF | 1,600 | 1,610 | 1,800 | Overweight | 12.5 | (22.0) | 75.0 | 25.8x | 3.3x | 13.2 | 1.9 | 6.3 | 12.5 | 0.6 |
| SIDO | 760 | 525 | 700 | Underweight | (7.9) | 3.4 | 22.8 | 21.9x | 6.0x | 30.1 | 4.0 | 16.1 | 30.1 | 0.6 |
| MIKA | 3,040 | 2,850 | 3,000 | Hold | (1.3) | 12.6 | 43.3 | 43.4x | 6.9x | 16.6 | 1.2 | 21.0 | 26.8 | 0.5 |
| Infrastructure | | | | | | | 1,691.02 | | | | | | | |
| TLKM | 3,050 | 3,950 | 4,800 | Buy | 57.4 | (26.5) | 302.1 | 12.5x | 2.1x | 17.4 | 5.9 | 3.7 | (5.8) | 0.9 |
| JSMR | 5,175 | 4,870 | 5,100 | Hold | (1.4) | 47.4 | 37.6 | 5.5x | 1.3x | 27.1 | 0.7 | 36.0 | 17.8 | 0.9 |
| EXCL | 2,230 | 2,000 | 3,800 | Buy | 70.4 | 8.8 | 29.3 | 18.1x | 1.1x | 6.1 | 2.2 | 11.8 | 156.3 | 1.0 |
| TOWR | 725 | 990 | 1,310 | Buy | 80.7 | (27.5) | 37.0 | 10.9x | 2.1x | 20.3 | 3.3 | 6.3 | 6.7 | 0.7 |
| TBIG | 1,910 | 2,090 | 2,390 | Buy | 25.1 | (14.3) | 43.3 | 27.4x | 3.6x | 13.3 | 3.2 | 5.4 | 4.3 | 0.5 |
| MTEL | 635 | 705 | 860 | Buy | 35.4 | 0.8 | 53.1 | 26.2x | 1.5x | 5.9 | 3.4 | 7.3 | 0.0 | 0.6 |
| PTPP | 352 | 428 | 1,700 | Buy | 383.0 | (38.2) | 2.2 | 4.0x | 0.2x | 4.7 | N/A | 5.7 | 150.0 | 1.5 |

NHKSJ Stocks Coverage

| Property & Real Estate | | | | | | | | | | | | | | 234.2 |
|---------------------------|--------|--------|--------|------------|-------|--------|-------|-------|------|---------|------|--------|--------|---------|
| CTRA | 1,145 | 1,170 | 1,300 | Overweight | 13.5 | (2.1) | 21.2 | 11.1x | 1.0x | 9.7 | 1.3 | 8.7 | 18.2 | 0.8 |
| PWON | 408 | 454 | 500 | Buy | 22.5 | (20.0) | 19.6 | 10.7x | 1.0x | 9.9 | 1.6 | 10.5 | (44.4) | 0.9 |
| Energy | | | | | | | | | | | | | | 1,425.3 |
| ITMG | 24,750 | 25,650 | 26,000 | Overweight | 5.1 | 8.1 | 28.0 | 4.6x | 1.0x | 22.4 | 17.8 | (28.6) | (68.8) | 1.0 |
| PTBA | 2,530 | 2,440 | 4,900 | Buy | 93.7 | (20.7) | 29.1 | 5.1x | 1.3x | 22.1 | 15.7 | (5.5) | (31.8) | 1.0 |
| HRUM | 1,115 | 1,335 | 1,600 | Buy | 43.5 | (19.5) | 15.1 | 18.7x | 1.0x | 5.7 | N/A | (9.7) | (99.1) | 1.2 |
| ADRO | 2,840 | 2,380 | 2,870 | Hold | 1.1 | 30.9 | 90.8 | 3.5x | 0.8x | 22.9 | 14.4 | (21.5) | (17.7) | 1.4 |
| Industrial | | | | | | | | | | | | | | 338.9 |
| UNTR | 22,800 | 22,625 | 25,900 | Overweight | 13.6 | (0.2) | 85.0 | 4.2x | 1.0x | 22.9 | 10.0 | (7.1) | (14.6) | 1.0 |
| ASII | 4,560 | 5,650 | 6,900 | Buy | 51.3 | (32.9) | 184.6 | 5.7x | 0.9x | 16.0 | 11.4 | (2.1) | (14.4) | 1.1 |
| Basic Ind. | | | | | | | | | | | | | | 2,320.5 |
| SMGR | 4,010 | 6,400 | 9,500 | Buy | 136.9 | (31.5) | 27.2 | 13.0x | 0.6x | 4.8 | 2.1 | (6.3) | (15.7) | 1.2 |
| INTP | 7,700 | 9,400 | 12,700 | Buy | 64.9 | (20.6) | 28.3 | 14.5x | 1.2x | 8.8 | 1.2 | (3.8) | (35.9) | 0.8 |
| INCO | 4,450 | 4,310 | 5,000 | Overweight | 12.4 | (32.6) | 44.2 | 9.9x | 1.1x | 11.2 | 2.0 | 4.5 | 36.6 | 0.9 |
| ANTM | 1,300 | 1,705 | 2,050 | Buy | 57.7 | (35.6) | 31.2 | 18.9x | 1.0x | 5.9 | 9.9 | (25.6) | (85.7) | 1.4 |
| NCKL | 940 | 1,000 | 1,320 | Buy | 40.4 | 5.0 | 59.3 | 11.5x | 2.4x | 29.8 | 2.4 | 26.1 | (33.7) | N/A |
| Technology | | | | | | | | | | | | | | 286.9 |
| GOTO | 58 | 86 | 81 | Buy | 39.7 | (50.0) | 69.7 | N/A | 1.7x | (109.2) | N/A | 22.4 | 78.1 | 1.7 |
| Transportation & Logistic | | | | | | | | | | | | | | 36.8 |
| ASSA | 755 | 790 | 990 | Buy | 31.1 | (41.0) | 2.8 | 22.6x | 1.4x | 6.8 | N/A | 3.1 | 32.3 | 1.6 |

Source : Bloomberg, NHKSJ 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

Axell Ebenhaezer

Mining, Property

T +62 21 5088 ext 9133

E Axell.Ebenhaezer@nhsec.co.id

Analyst

Richard Jonathan Halim

Technology, Transportation

T +62 21 5088 ext 9128

E Richard.jonathan@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