

Weekly Briefing (Oct 14 – Oct 18, 2024)

Summary:

Last week review:

- **THE COMBINATION OF US INFLATION AND LABOR DATA REINFORCES THE CONTINUATION OF THE FED'S RATE CUTS.** The FED's Sept meeting minutes showed a majority of members favored a jumbo cut, although there were signs that some members preferred to keep the rate-cutting cycle at a more modest magnitude, anticipating concerns about the strength of the US economy. US CPI rose slightly higher than expected in September as food costs rose, but on an annualized basis this inflation increase was the smallest in more than 3.5 years. The Labor Department said US CPI rose 0.2% mom after rising 0.2% in August, slightly above expectations of economists polled by Reuters for a 0.1% increase. On an annualized basis, US CPI rose 2.4% yoy compared to the estimate of 2.3%, though easing from the previous month's 2.5%. At the producer level, US PPI was unchanged on a monthly basis in September, compared to a 0.1% increase expected by economists polled by Reuters. On an annualized basis, the producer price index increased by 1.8%, lower than the upwardly revised figure of 1.9% in August, meaning Inflation is definitely slowing down.
- **Other data showed weekly INITIAL JOBLESS CLAIMS jumped 33,000 last week to 258,000, quite materially above the 230,000 estimate, although the rise was partly due to distortions from Hurricane Helene.** The above jobless claims data initially helped to reinforce expectations that the Federal Reserve will cut interest rates next month, by 25bps with an increasingly steady chance of above 80%; while the remaining percentage set up the probability for no rate change. On a weekly basis, the S&P 500 gained 1.1% while the Dow Jones Industrial Average advanced 1.2% and the NASDAQ appreciated 1.1%; all three recorded their 5th consecutive week of gains and the DJIA recorded its best gain in 8 months.

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- **QUARTER 3 FINANCIAL REPORT** season officially opened with the release of the performance of a series of major banks last Friday, such as: JPMorgan Chase, Wells Fargo, and Bank of New York Mellon which on average announced earnings above expectations.
- **CHINA:** kept the eyes of market participants focused on the continuation of a more detailed plan for the largest stimulus after the COVID pandemic, including interest rate cuts, more liquidity to boost bank lending, and a **commitment of USD 340 billion to support the stock market**. The effort has pushed China & Hong Kong stock markets up by around 30%. But so far there are still many unanswered questions, including how much total stimulus is being talked about and how they will carry out this mandate. The outline of the stimulus still seems to be around assistance to the property sector, such as: lowering China's mortgage interest & DP for home purchases. While the steps that have not been executed are : liquidity preservation for the capital market and Chinese government bond transactions in the secondary market. Investors are forced to wait for the next presentation at the Chinese legislative meeting, the date of which is also unclear.
- **COMMODITIES: OIL** prices moved up above 1% over the past week, anticipating a number of driving factors such as the **MIDDLE EAST CONFLICT** which is still full of threats of **ISRAEL** attacks on **IRAN's** energy infrastructure, despite the glimmer of hope for ceasefire negotiations that have begun to emerge; not to mention taking into account **CHINA** (the world's largest crude oil importer) which is still full of bearish narratives. Sluggish demand from there as well as North America led the US Energy Information Agency (EIA) on Tuesday to lower its demand forecast for 2025. On the supply side, **LIBYA's** national oil company said that it has resumed production back to even pre-crisis central bank levels, at 1.25 million barrels.

Weekly Briefing (Oct 7 – Oct 11, 2024)

This week's outlook:

Berikut adalah gambaran tentang apa yang terjadi di pasar untuk minggu mendatang:

- **QUARTER 3 FINANCIAL REPORT** season will bring more big bank reports this week, including Bank of America and Citigroup on Tuesday, while Netflix will report after the close on Thursday. Investors will be looking closely at the results from Netflix - specifically whether the streaming service is gaining or losing subscribers and how fast - to gain insight into the health of consumer spending. The quarterly report is expected to provide justification to support the stock market valuation, which is well above its historical average.
- **U.S. ECONOMIC INDICATORS:** Markets will get another update on the health of the US consumer on Thursday, from the Retail Sales data. Investors will also get a chance to hear from several Fed officials in the coming days, including Governor Christopher Waller, Minneapolis Fed President Neel Kashkari and San Francisco Fed President Mary Daly.
- **THE EUROPEAN CENTRAL BANK (ECB)** is expected to cut interest rates by another quarter point on Thursday, after indications that slowing economic growth and easing price pressures have increased the need for faster cuts to support the bloc's economy.

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This week's outlook:

- **CHINA'S 3Q GDP will be released on Friday, highlighting a busy week for economic data from the world's second largest economy.** Policymakers have expressed confidence in achieving their annual growth target of around 5%, despite a weak second quarter and expectations of little improvement in the third quarter. Investors may shrug off pessimism given Beijing's recent announcement of aggressive stimulus measures, which propelled the stock market to new highs. While some of the initial enthusiasm has faded, further details on fiscal support could spark another market rally. In addition to GDP, China will release data on trade, house prices, and retail sales, giving policymakers insight into the challenges at the end of the year.
- **OIL PRICES rose for the second consecutive week as investors weighed factors such as possible supply disruptions in the Middle East and the impact of Hurricane Milton on fuel demand in Florida.** Both benchmarks ended the week with gains of more than 1% as markets awaited Israel's response to a massive missile attack from Iran. Florida is the third-largest gasoline consumer in the US, but there are no refineries in the state, which makes it dependent on imports through sea.

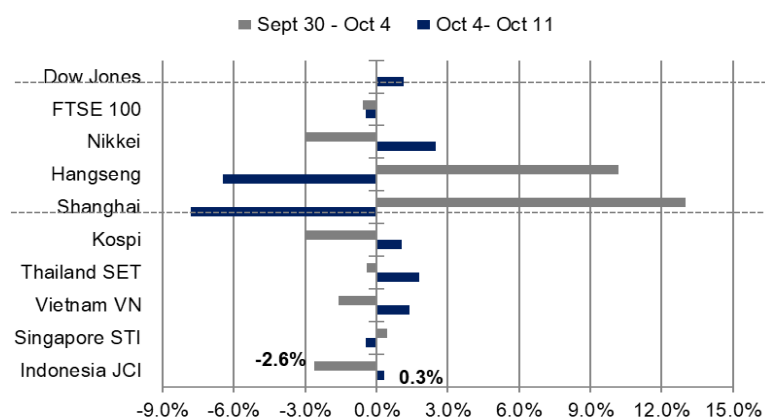
JCI Index : 7,520.6 (+0.5%)

Foreign Flow : Net Sell of IDR 2.32T (Vs. last week's Net Sell of IDR 4.47T)

USD/IDR : 15,575 (-1.07%)

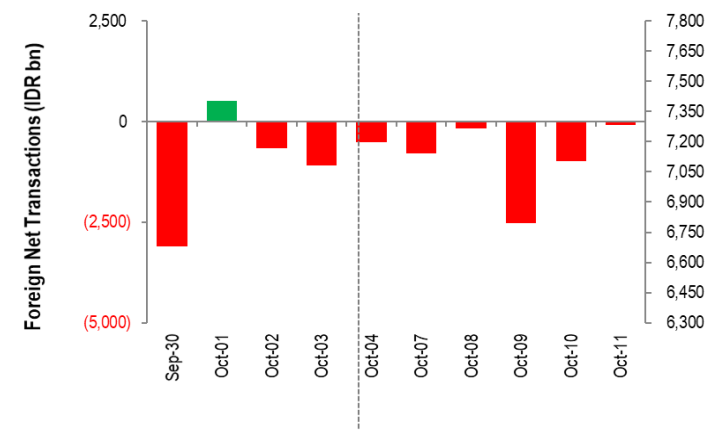
Last Week's JCI Movement

Global Market Movement



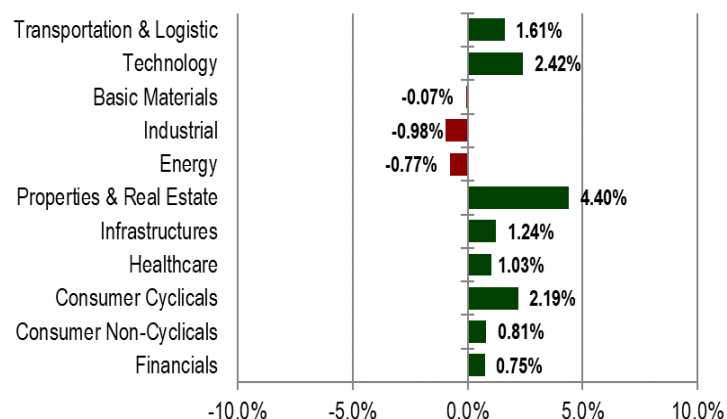
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



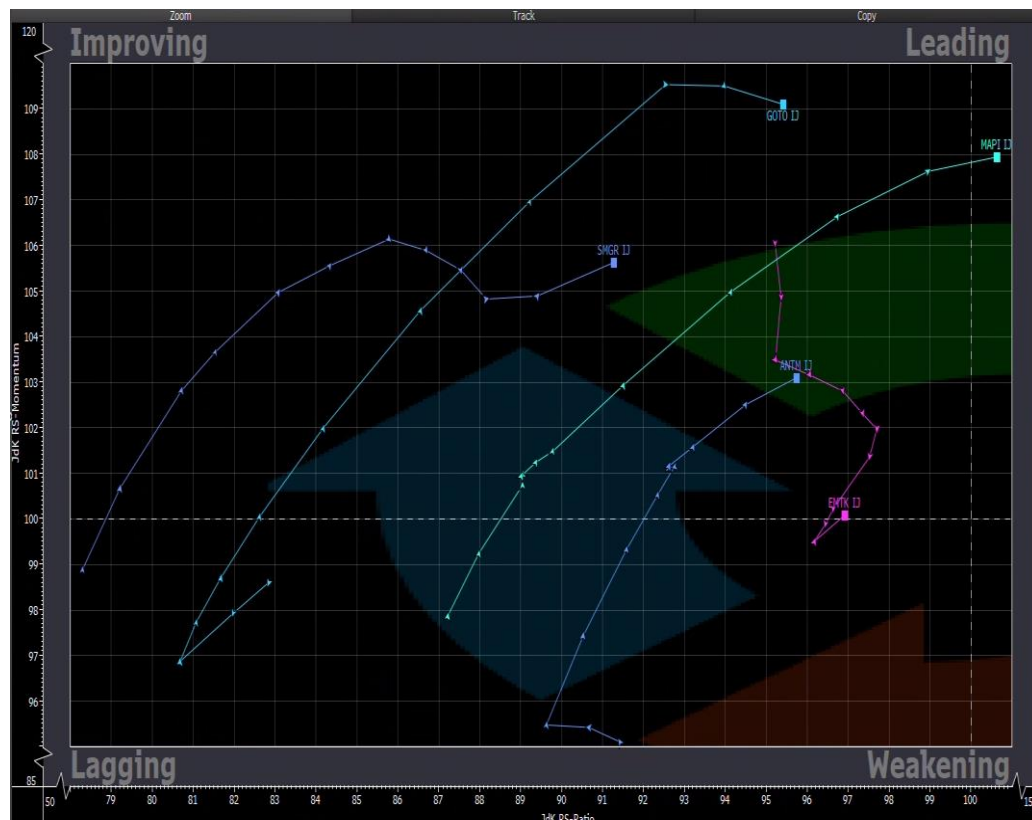
Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Foreign Buy (RG)	Net Buy Value	Top Foreign Sell (RG)	Net Sell Value
TINS	IDR 124.9B	BBRI	IDR 1.4T
ANTM	IDR 146.5B	BBCA	IDR 507.5B
MDKA	IDR 93.8B	BMRI	IDR 201.7B
SMGR	IDR 87.7B	ADRO	IDR 172.1B
MIKA	IDR 62.0B	UNTR	IDR 166.8B

Source: NHKSI Research

Stocks Recommendation



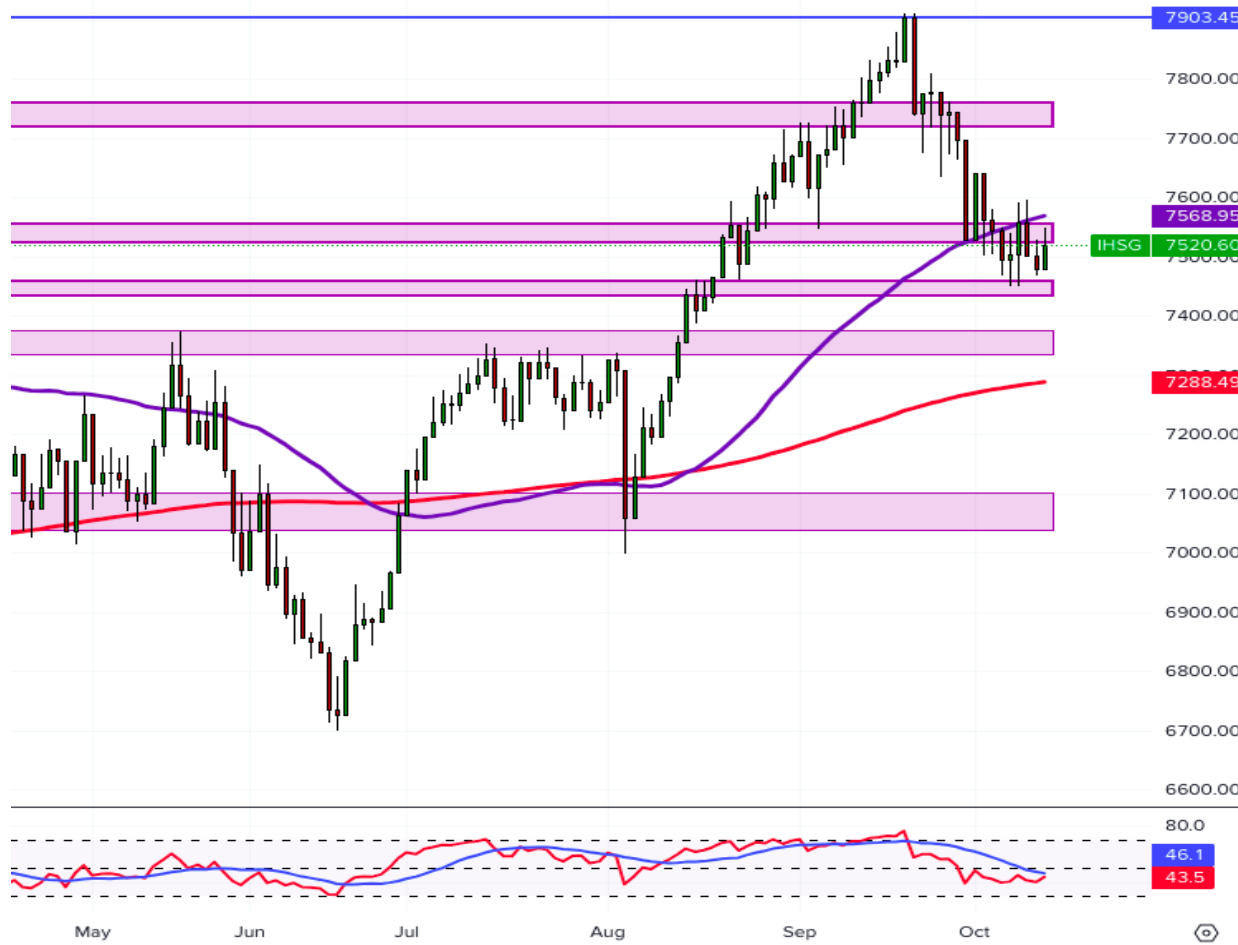
Source: Bloomberg, NHKSI Research

Stocks	TP	SL
GOTO	70-74 / 81	56
MAPI	1820-1850 / 1975-2000	1600
ANTM	1645 / 1700-1735 / 1800 / 1825-1850	1485
SMGR	4580 / 4740-4750	4130
EMTK	452-454 / 474-478 / 494-500	420

Source: NHKSI Research

JCI Index

Support	7435-7460 / 7335-7375 / 7040-7100	Resistance	7880-7900 / 7720-7760 / 7525-7555
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Source: NHKSI Research

Economic Calendar

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	-	-	-	-	-	-	-
14 – October							
Tuesday	JP	11.30	Industrial Production MoM	-	Aug F	-	-3.3%
15 – October	GE	16.00	ZEW Survey Expectations	-	Oct	10.0	3.6
	GE	16.00	ZEW Survey Current Situation	-	Oct	-84.0	-84.5
	US	19.30	Empire Manufacturing	-	Oct	0.0	11.5
Wednesday	ID	14.20	BI Rate	-	Oct 16	6.00%	6.00%
16 – October	US	18.00	MBA Mortgage Applications	-	Oct 11	-	-5.1%
Thursday	US	19.30	Initial Jobless Claims	-	Oct 12	-	258k
17 – October	US	19.30	Industrial Production MoM	-	Sep	-0.1%	0.8%
	US	19.30	Retail Sales Advance MoM	-	Sep	0.2%	0.1%
Friday	US	19.30	Housing Starts	-	Sep	1350k	1356k
18 – October							

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	MFIN
14—October	Cum Dividend	AUTO
Tuesday	RUPS	DEAL, SKLT
15 – October	Cum Dividend	ASGR, PLIN
Wednesday	RUPS	DGNS, GMFI, LUCY
16 – October	Cum Dividend	-
Thursday	RUPS	AMOR, BEKS, POOL
17 – October	Cum Dividend	VICI
Friday	RUPS	ADRO, JARR
18 – October	Cum Dividend	-

Source: IDX, NHKSI Research

NHKSII 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
Finance							4.007.5							
BBCA	10.375	9.400	11.500	Overweight	10.8	16.2	1.279.0	24.9x	5.3x	22.1	2.6	9.1	11.2	0.9
BBRI	4.900	5.725	5.550	Overweight	13.3	(6.7)	742.6	12.3x	2.4x	20.1	6.5	14.2	1.0	1.3
BBNI	5.375	5.375	6.125	Overweight	14.0	3.9	200.5	9.4x	1.3x	14.8	5.2	7.0	3.9	1.2
BMRI	6.950	6.050	7.775	Overweight	11.9	14.9	648.7	11.5x	2.6x	23.2	5.1	10.4	5.2	1.2
Consumer Non-Cyclicals							1.079.3							
INDF	7.000	6.450	7.400	Overweight	5.7	3.7	61.5	9.6x	1.0x	10.9	3.8	2.2	(30.8)	0.5
ICBP	12.250	10.575	13.600	Overweight	11.0	14.5	142.9	29.7x	3.4x	11.8	1.6	7.2	(38.3)	0.6
UNVR	2.270	3.530	3.100	Buy	36.6	(37.1)	86.6	19.2x	30.3x	132.8	6.2	(6.2)	(9.7)	0.4
MYOR	2.640	2.490	2.800	Overweight	6.1	-	59.0	16.0x	3.8x	25.8	2.1	9.5	40.0	0.4
CPIN	4.860	5.025	5.500	Overweight	13.2	(10.8)	79.7	29.5x	2.8x	9.7	0.6	6.7	28.6	0.5
JPFA	1.490	1.180	1.400	Underweight	(6.0)	14.2	17.5	7.5x	1.2x	17.3	N/A	14.5	1700.3	1.0
AALI	6.575	7.025	8.000	Buy	21.7	(10.5)	12.7	10.6x	0.6x	5.4	3.8	9.8	36.3	0.7
TBLA	660	695	900	Buy	36.4	(22.4)	4.0	6.6x	0.5x	7.2	6.1	2.9	(10.3)	0.4
Consumer Cyclical							478.8							
ERAA	454	426	600	Buy	32.2	0.9	7.2	8.0x	0.9x	12.3	3.7	14.6	14.1	0.8
MAPI	1.710	1.790	2.200	Buy	28.7	(13.6)	28.4	16.2x	2.6x	17.8	0.5	15.4	(10.9)	0.7
HRTA	444	348	590	Buy	32.9	6.7	2.0	6.3x	1.0x	16.5	3.4	33.5	10.8	0.2
Healthcare							306.9							
KLBF	1.720	1.610	1.800	Hold	4.7	(1.7)	80.6	26.1x	3.6x	14.5	1.8	7.6	18.4	0.5
SIDO	650	525	700	Overweight	7.7	11.1	19.5	17.5x	5.6x	33.0	4.7	14.7	35.7	0.6
MIKA	3.130	2.850	3.000	Hold	(4.2)	15.1	44.6	40.9x	7.3x	18.8	1.1	19.7	34.1	0.6
Infrastructure							1.685.32							
TLKM	2.940	3.950	4.550	Buy	54.8	(22.2)	291.2	12.4x	2.2x	18.6	6.1	2.5	(7.8)	1.1
JSMR	4.930	4.870	6.450	Buy	30.8	11.5	35.8	4.5x	1.2x	30.4	0.8	46.5	104.3	0.9
EXCL	2.310	2.000	3.800	Buy	64.5	(2.9)	30.3	18.4x	1.1x	6.3	2.1	8.2	54.0	0.8
TOWR	840	990	1.070	Buy	27.4	(12.0)	42.9	12.7x	2.4x	20.5	2.9	6.5	10.3	0.9
TBIG	1.880	2.090	2.390	Buy	27.1	(4.1)	42.6	26.6x	3.8x	14.6	3.2	4.1	5.6	0.4
MTEL	645	705	840	Buy	30.2	(4.4)	53.9	26.3x	1.6x	6.2	2.8	7.8	8.3	0.7
PTPP	462	428	1.700	Buy	268.0	(40.4)	3.0	5.4x	0.2x	4.6	N/A	9.3	50.0	1.7
Property & Real Estate							459.0							
CTRA	1.405	1.170	1.450	Hold	3.2	35.7	26.0	12.4x	1.3x	10.6	1.5	12.7	33.6	0.7
PWON	505	454	530	Hold	5.0	18.5	24.3	13.1x	1.2x	9.9	1.8	12.6	(23.0)	0.7

Source : Bloomberg, NHKSII Research

NHKSJ Stocks Coverage

Energy														1.638.5
ITMG	25.925	25.650	27.000	Hold	4.1	(5.6)	29.3	5.9x	1.1x	18.1	11.5	(19.2)	(59.3)	0.9
PTBA	3.030	2.440	4.900	Buy	61.7	10.6	34.9	6.5x	1.8x	28.5	13.1	4.2	(26.9)	0.9
ADRO	3.870	2.380	2.870	Sell	(25.8)	40.2	119.0	5.0x	1.1x	22.9	10.6	(14.6)	(10.3)	1.1
Industrial														378.8
UNTR	26.150	22.625	28.400	Overweight	8.6	(0.5)	97.5	5.0x	1.1x	23.9	8.6	(6.1)	(15.0)	1.0
ASII	5.075	5.650	5.175	Hold	2.0	(16.1)	205.5	6.4x	1.0x	16.7	10.2	(1.5)	(9.0)	1.1
Basic Ind.														2.091.9
AVIA	484	500	620	Buy	28.1	(9.5)	30.0	18.2x	3.1x	16.9	4.5	3.2	0.9	0.3
SMGR	4.310	6.400	9.500	Buy	120.4	(33.9)	29.1	16.1x	0.7x	4.2	2.0	(3.6)	(42.2)	1.2
INTP	7.225	9.400	12.700	Buy	75.8	(27.4)	26.6	14.7x	1.2x	8.3	1.2	1.9	(37.0)	0.6
ANTM	1.565	1.705	1.560	Hold	(0.3)	(13.8)	37.6	13.7x	1.3x	10.4	8.2	7.1	(18.0)	1.0
MARK	1.155	610	1.010	Underweight	(12.6)	89.3	4.4	18.4x	5.0x	29.0	4.3	73.4	128.3	0.9
NCKL	920	1.000	1.320	Buy	43.5	(6.6)	58.1	10.5x	2.3x	24.9	2.9	25.0	(5.1)	N/A
Technology														330.4
GOTO	60	86	77	Buy	28.3	(24.1)	72.1	N/A	1.8x	(110.6)	N/A	12.4	62.9	1.6
WIFI	276	154	424	Buy	53.6	57.7	0.7	4.6x	0.8x	19.2	0.4	40.1	811.2	1.1
Transportation & Logistic														43.6
ASSA	755	790	1.100	Buy	45.7	(13.7)	2.8	17.1x	1.4x	8.9	2.6	(0.9)	78.3	1.2
BIRD	2.110	1.790	1.920	Underweight	(9.0)	2.4	5.3	11.6x	1.0x	8.4	4.3	11.3	1.0	0.8

Source : Bloomberg, NHKSJ Research

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