

Weekly Briefing (Jan 06 – Jan 10, 2025)

Summary: Last Week Review

- **GOOD BYE 2024, WELCOMING 2025 WITH HOPE, OPTIMISM & NEW STRATEGIES. JCI corrected 2.65% in 2024, amid bullish global equity markets.** Last year the S&P surged 23.3% and the Nasdaq rose 28.7%. The S&P 500 even recorded a two-year surge of about 53.19%, marking the strongest consecutive annual performance for the index since 1997-1998. The US stock market rally has been driven by growth expectations around artificial intelligence/AI, expected interest rate cuts from the Federal Reserve, and a strong US economy; as well as the latest: possible deregulatory policies from the incoming Trump administration after he is sworn in on January 20. Not only in the US, the global MSCI index rallied nearly 16% in 2024. In Europe, the STOXX 600 index ended 2024 with a gain of 5.99%.
- **FIXED INCOME & CURRENCY: The US TREASURY YIELD has risen by around 69 basis points last year, of which a spike of more than 74 bps occurred in Q4/2024.** The widening interest rate differential has increased the attractiveness of the DOLLAR last year. The DOLLAR INDEX (DXY), which measures the greenback's strength against 6 other major currencies, rose 6.6% in 2024 after surging 7.3% in Q4, the biggest quarterly gain since 1Q/2015. Closing 2024 on Tuesday, the single currency EURO fell 6.1% in the past year against the greenback after slumping 6.5% in Q4.
- **COMMODITIES: OIL prices plunged about 3% in 2024, the second consecutive year of decline, as post-pandemic demand recovery is still stuck, China's economy is still struggling towards growth, and the US and other non-OPEC producers are pumping more crude oil into a global market that seems over-supplied.** US oil production rose 259,000 barrels per day to a record high of 13.46 million bpd in October, as demand surged to its strongest level since the pandemic. Production is expected to rise to a new record of 13.52 million bpd next year, the EIA said. The forecast is supported by the following thoughts: lower interest rate trend in 2025, US President-elect Donald Trump's policies regarding global geopolitical conflicts, China's manufacturing activity has increased for 3 consecutive months.

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- **INDONESIA starts 2025 with confusion & chaos regarding the implementation of the 12% VAT policy aka 1% increase which is finally only imposed on luxury goods classified under Sales Tax on Luxury Goods (PPnBM) as of December 31, 2024 such as private jets, yachts, luxury homes / residences above IDR 30 billion, and also luxury cars. While general goods consumed by the public the rate remains 11%. This is stated in the Minister of Finance Regulation (PMK) number 131 of 2024 which was stipulated by Sri Mulyani Indrawati on December 31, 2024.**
- **In overall, the first trading day of 2025 was still slow and quiet, although the JCI hit a positive note on the first trading day with a +1.18% rally driven by the Energy sector and Property sector. Rupiah was at IDR 16,185/USD. Foreign funds over the past week still recorded net sell of IDR 789.54bn (RG market). Indonesia's inflation in Dec 2024 was recorded at 1.57% yoy, up 0.02% from Nov.**

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This Week's Outlook:

- This week will be a busy one with US labor data, Federal Reserve meeting minutes, and several Fed officials along with inflation data from the Eurozone and China. Meanwhile, US markets will remain closed on Thursday in honor of the late former President Jimmy Carter. Here is a look at what's happening in the markets this week:
- 1. **Friday's US employment report/Nonfarm Payroll is expected to show that the US economy added 154,000 jobs in December, while the unemployment rate is expected to remain steady at 4.2%.** But before Friday, investors will first get an update on JOLTs Job Openings on Tuesday, followed by data on private sector hiring ADP Nonfarm Employment Change, as well as the weekly report on jobless claims on Wednesday, which will be released a day early ahead of the National Day of Mourning on Thursday.
- 2. **On Wednesday, the Fed will release the December FOMC MEETING minutes where they delivered their third consecutive 25 basis point rate cut.** Investors will also get a chance to hear several statements from Fed officials during the week as speeches from Governors Cook and Waller on Monday and Wednesday, respectively, are likely highlighted. Richmond Fed President Thomas Barkin and Philadelphia Fed President Patrick Harker will also deliver remarks.
- 3. **Equity markets slumped in late December and early January, after performing well in 2024. The outlook for a third consecutive stellar year depends in part on the strength of the economy, with labor market data among the most important readings on the health of the economy.** The data could also help clarify the outlook for interest rates after the Federal Reserve last month rattled markets by shifting to a more cautious outlook for rate cuts as it raised its forecast for 2025 inflation. Investors are wary of the payrolls report revealing an overly strong economy, with a resurgence in inflation under the incoming Trump administration seen as one of the key risks to markets at the start of the year.

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This Week's Outlook:

4. **Expectations of additional rate cuts from the European Central Bank will be tested by the Eurozone's December inflation data due on Tuesday. German and French inflation figures will be released on Monday.** Meanwhile, China will release consumer and producer price inflation data on Thursday. The annual inflation rate was almost flat in December while China's PPI was in contraction territory, indicating that the government's stimulus measures are still not successful in boosting demand.
5. **Oil prices ended higher last week as the demand outlook was boosted by cold weather in Europe and the US along with additional economic stimulus in China. As for last week Brent posted a weekly gain of 3.3%, while WTI crude oil futures posted a gain of 5%.** Oil prices are likely to remain supported amid increased demand for heating oil after forecasts of cold weather in some regions. Last week's data showing a decline in US crude inventories also supported prices. However, oil price gains are likely to be curbed by a stronger US Dollar on the back of expectations that the US economy will continue to outperform other countries globally this year and that US interest rates will remain relatively higher.

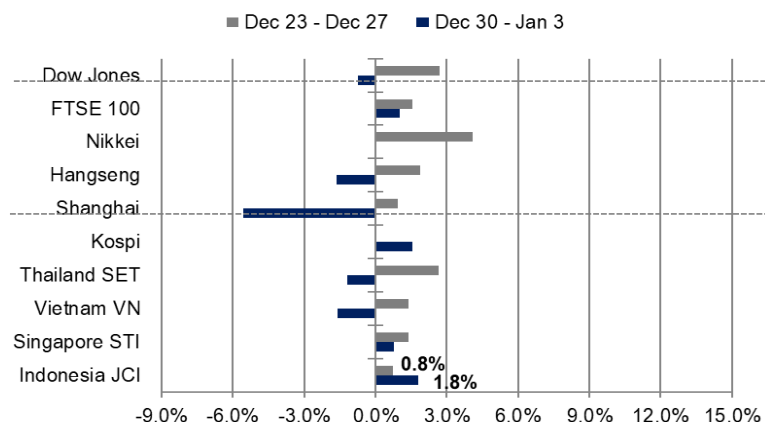
JCI Index : 7,176.1

Foreign Flow : Net Sell of IDR 496.2B (Vs. last week's Net Sell of IDR 100.5B)

USD/IDR : 16,180 (+0.5%)

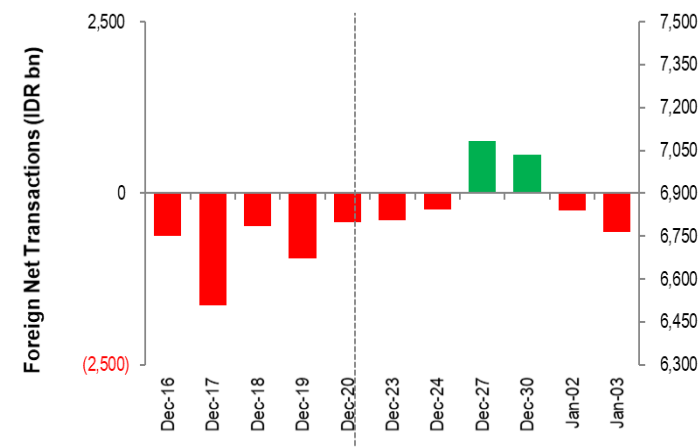
Last Week's JCI Movement

Global Market Movement



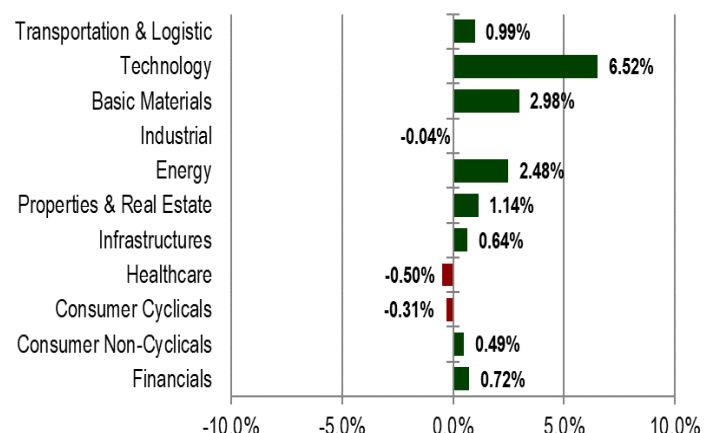
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

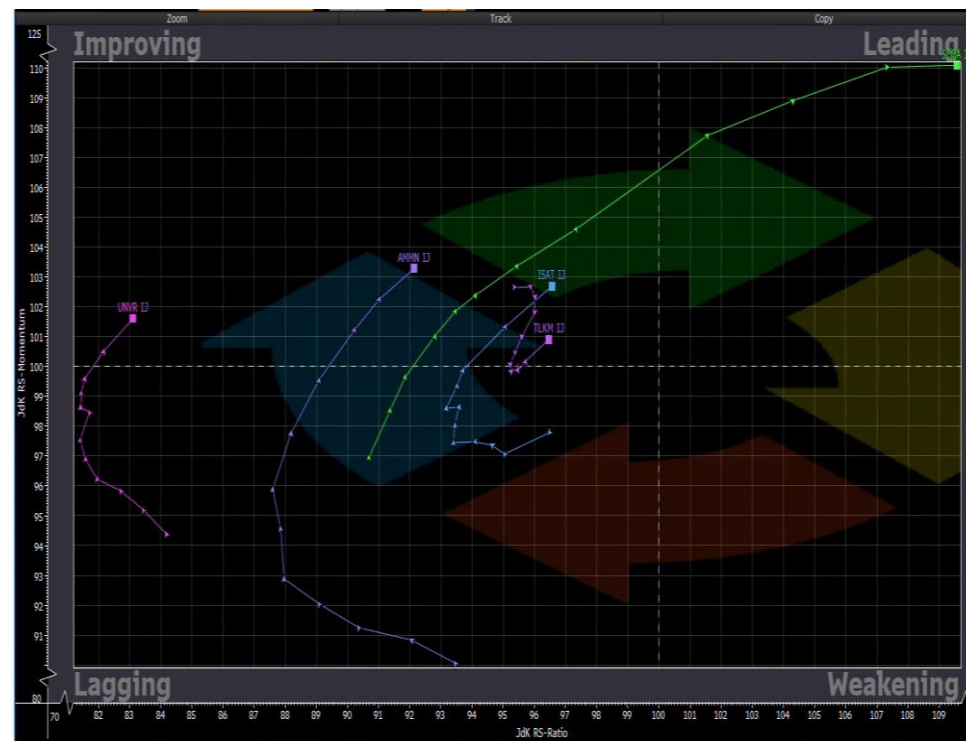
Top Foreign Buy (RG)	Net Buy Value	Top Foreign Sell (RG)	Net Sell Value
TLKM	IDR 103.4B	BBRI	IDR 923.7B
CUAN	IDR 95.8B	AADI	IDR 166.3B
BREN	IDR 94.4B	GOTO	IDR 253.3B
BRMS	IDR 53.9B	PTRO	IDR 96.4B
HEAL	IDR 49.8B	ADRO	IDR 90.2B

Source: IDX, NHKSI Research

Stocks Recommendation

Stocks	TP	SL
UNVR	1900 / 2000	<1750
AMMN	9000 / 9350	<8000
TLKM	2800 / 2850	<2600
SCMA	185 / 200	<150
ISAT	2500 / 2600	<2250

Source: NHKSI Research



Source: Bloomberg

JCI Index

Support

7083-7041 / 7000-6931

Resistance

7180-7210 / 7320



TradingView

Source: NHKSI Research

Economic Calendar

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	US	22.00	Factory Orders	-	Dec	-0.4%	0.2%
06 – January	US	22.00	Durable Goods Order	-	Nov F	-0.4%	-1.1%
Tuesday	US	20.30	Trade Balance	-	Nov	-\$78.2B	-\$73.8B
07 – January	US	22.00	ISM Services Index	-	Dec	53.5	52.1
Wednesday	US	19.00	MBA Mortgage Applications	-	Jan 3	-	-
08 – January	US	20.30	Initial Jobless Claims	-	Jan 4	216k	211k
	US	20.15	ADP Employment Change	-	Dec	133k	146k
Thursday	US	22.00	Wholesale Inventories MoM	-	Nov F	-0.2%	-0.2%
09 – January							
Friday	US	20.30	Change In Nonfarm Payrolls	-	Dec	160k	227k
10 – January	US	20.30	Unemployment Rate	-	Dec	4.2%	4.2%
	US	22.00	University of Michigan Sentiment	-	Jan P	73.9	74.0

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	TCPI
06 – January	Cum Dividend	TOWR
Tuesday	RUPS	LIFE
07 – January	Cum Dividend	-
Wednesday	RUPS	-
08 – January	Cum Dividend	-
Thursday	RUPS	BIPP, CSIS, CASH
09 – January	Cum Dividend	BSSR, KUAS, GTSI
Friday	RUPS	SMAR
10 – January	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							3.613.5							
BBCA	9.675	9.400	11.500	Buy	18.9	2.9	1.192.7	22.4x	4.7x	21.7	2.9	9.9	12.9	0.9
BBRI	4.080	5.725	5.550	Buy	36.0	(28.7)	618.4	10.1x	1.9x	19.4	9.1	12.8	2.4	1.2
BBNI	4.350	5.375	6.125	Buy	40.8	(19.1)	162.2	7.6x	1.0x	14.3	6.4	6.6	3.4	1.2
BMRI	5.700	6.050	7.775	Buy	36.4	(5.8)	532.0	9.2x	2.0x	22.5	6.2	13.7	7.6	1.1
Consumer Non-Cyclicals							1.022.1							
INDF	7.700	6.450	7.400	Hold	(3.9)	19.4	67.6	6.9x	1.0x	15.9	3.5	3.6	23.7	0.7
ICBP	11.375	10.575	13.600	Buy	19.6	7.6	132.7	16.4x	2.9x	18.6	1.8	8.1	15.5	0.6
UNVR	1.885	3.530	3.100	Buy	64.5	(46.6)	71.9	19.9x	20.9x	82.2	6.3	(10.1)	(28.2)	0.5
MYOR	2.780	2.490	2.800	Hold	0.7	11.6	62.2	19.5x	3.9x	21.4	2.0	12.0	(1.1)	0.4
CPIN	4.760	5.025	5.500	Buy	15.5	(5.3)	78.1	38.6x	2.7x	7.0	0.6	5.5	(10.4)	0.7
JPFA	1.940	1.180	1.400	Sell	(27.8)	64.4	22.7	10.8x	1.5x	14.6	3.6	9.3	122.2	1.0
AALI	6.200	7.025	8.000	Buy	29.0	(11.7)	11.9	11.3x	0.5x	4.8	4.0	3.9	0.1	0.7
TBLA	615	695	900	Buy	46.3	(11.5)	3.7	5.3x	0.4x	8.4	12.2	5.3	15.0	0.5
Consumer Cyclicals							493.7							
ERAA	404	426	600	Buy	48.5	(5.2)	6.4	5.7x	0.8x	15.2	4.2	13.5	59.9	0.7
MAPI	1.410	1.790	2.200	Buy	56.0	(21.2)	23.4	13.7x	2.1x	16.4	0.6	16.1	(8.1)	0.8
HRTA	354	348	590	Buy	66.7	1.7	1.6	4.7x	0.7x	16.9	4.2	42.4	16.2	0.6
Healthcare							275.6							
KLBF	1.360	1.610	1.800	Buy	32.4	(15.5)	63.8	20.4x	2.8x	14.4	2.3	7.4	15.7	0.7
SIDO	590	525	700	Buy	18.6	12.4	17.7	15.5x	4.9x	32.4	6.1	11.2	32.7	0.6
MIKA	2.540	2.850	3.000	Buy	18.1	(10.9)	35.3	32.0x	5.7x	18.7	1.3	14.6	27.2	0.7
Infrastructure							1.995.41							
TLKM	2.710	3.950	3.150	Buy	16.2	(31.4)	268.5	11.8x	2.0x	17.1	6.6	0.9	(9.4)	1.2
JSMR	4.330	4.870	6.450	Buy	49.0	(11.1)	31.4	7.6x	1.0x	13.7	0.9	44.6	(44.8)	0.9
EXCL	2.250	2.000	3.800	Buy	68.9	12.5	29.5	18.7x	1.2x	6.1	2.2	6.3	32.9	0.7
TOWR	655	990	1.070	Buy	63.4	(33.8)	33.4	10.0x	1.8x	19.2	3.7	8.4	2.0	1.0
TBIG	2.100	2.090	2.390	Overweight	13.8	0.5	47.6	29.5x	4.1x	14.5	2.6	3.5	4.2	0.5
MTEL	645	705	740	Overweight	14.7	(8.5)	53.9	25.5x	1.6x	6.3	2.8	8.7	11.8	0.8
PTPP	336	428	1.700	Buy	406.0	(21.5)	2.2	4.1x	0.2x	4.4	N/A	14.5	10.3	1.7
Property & Real Estate							518.3							
CTRA	980	1.170	1.450	Buy	48.0	(16.2)	18.2	9.3x	0.9x	9.6	2.1	8.0	8.5	0.9
PWON	398	454	530	Buy	33.2	(12.3)	19.2	8.4x	0.9x	11.7	2.3	4.7	11.8	0.8

Source : Bloomberg, NHKSII Research

NHKSJ Stocks Coverage

Energy				1.757.1										
ITMG	26.700	25.650	27.000	Hold	1.1	4.1	30.2	5.2x	1.0x	20.8	11.1	(9.3)	(33.3)	0.9
PTBA	2.750	2.440	4.900	Buy	78.2	12.7	31.7	5.7x	1.6x	28.2	14.5	10.5	(14.6)	1.0
ADRO	2.430	2.380	2.870	Buy	18.1	2.1	74.7	2.9x	0.6x	22.4	55.9	(10.6)	(2.6)	1.1
Industrial				368.0										
UNTR	26.775	22.625	28.400	Overweight	6.1	18.3	99.9	4.7x	1.1x	26.0	8.4	2.0	1.6	1.0
ASII	4.900	5.650	5.175	Overweight	5.6	(13.3)	198.4	5.8x	1.0x	17.1	10.6	2.2	0.6	0.9
Basic Ind.				1.866.8										
AVIA	400	500	620	Buy	55.0	(20.0)	24.8	14.8x	2.4x	16.5	5.5	4.7	3.0	0.5
SMGR	3.290	6.400	9.500	Buy	188.8	(48.6)	22.2	18.9x	0.5x	2.7	2.6	(4.9)	(57.9)	1.0
INTP	7.400	9.400	12.700	Buy	71.6	(21.3)	27.2	14.5x	1.2x	8.4	1.2	3.0	(16.1)	0.7
ANTM	1.525	1.705	1.560	Hold	2.3	(10.6)	36.6	15.1x	1.2x	8.9	8.4	39.8	(22.7)	1.1
MARK	1.055	610	1.010	Hold	(4.3)	73.0	4.0	14.4x	4.6x	33.2	6.6	74.1	124.5	0.7
NCKL	755	1.000	1.320	Buy	74.8	(24.5)	47.6	8.1x	1.7x	24.0	3.5	17.8	3.1	N/A
Technology				344.8										
GOTO	70	86	77	Overweight	10.0	(18.6)	83.4	N/A	2.2x	(111.9)	N/A	11.0	55.3	1.4
WIFI	410	154	424	Hold	3.4	166.2	1.0	5.1x	1.1x	24.5	0.3	46.2	326.5	1.0
Transportation & Logistic				37.2										
ASSA	690	790	1.100	Buy	59.4	(12.7)	2.5	12.9x	1.3x	10.3	5.8	5.2	75.8	1.1
BIRD	1.610	1.790	1.920	Buy	19.3	(10.1)	4.0	7.7x	0.7x	9.3	5.7	13.5	20.8	0.9

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

Analyst

Richard Jonathan Halim

Technology, Transportation

T +62 21 5088 ext 9128

E Richard.jonathan@nhsec.co.id

Analyst

Ezaridho Ibnutama

Consumer, Poultry, Healthcare

T +62 21 5088 ext 9126

E ezaridho.ibnutama@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

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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