

Weekly Briefing (Jan 13 – Jan 17, 2025)

Summary: ULASAN PEKAN LALU

- **US PAYROLL DATA ENDED THE YEAR WITH A LARGE INCREASE IN EMPLOYMENT, A DECLINE IN THE UNEMPLOYMENT RATE WHILE KEEPING THE FED IN A HAWKISH POSITION.** Employment growth in the US unexpectedly accelerated in December 2024 while the unemployment rate fell to 4.1% (from 4.2% in Nov) as the labor market ended the year in solid shape, reinforcing the view that the Federal Reserve will keep interest rates unchanged this month. The number of people out of work aka Initial Jobless Claims (whose report was brought forward to Wednesday as the US commemorated the death of former President Jimmy Carter last Thursday) also showed a decline in the last week. As the final data, NONFARM PAYROLL (Dec) increased by 256,000 jobs, the most since March, said the Bureau of Labor Statistics of the US Department of Labor.
- **Data for October and November was revised 8,000 jobs fewer than previously reported.** This NFP figure far exceeded the consensus of economists polled by Reuters where they expected payrolls to increase by 160,000 jobs, with estimates ranging from 120,000 to 200,000. The US economy created 2.23 million jobs in the final year of President Joe Biden's term, which equates to an average of 186,000 jobs per month. Although below the 3 million jobs added in 2023, the increase in employment is in line with the pace seen in 2018.
- **The upbeat report supports the US FEDERAL RESERVE's cautious stance on further monetary policy easing this year amid growing concerns that President-elect DONALD TRUMP's pledge to massively raise import tariffs and deport millions of undocumented immigrants could fuel inflation.** Such concerns were evident in the December 17-18 FOMC MEETING NOTES published on Wednesday, noting that most Committee members agreed to take a cautious approach in considering further rate cuts. Economists do not expect any rate cuts in the first half of this year.

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- **Ahead of President Trump's takeover on January 20, the US economy is considered not only great, but activity is booming especially the Services sector as reported by the ISM Non-Manufacturing PMI (Dec) which is firmly in expansionary territory.** Employment in Health Care increased by 46,000 positions, spread across home health care service facilities and hospitals. Employment in the Retail sector jumped by 43,000 jobs after declining by 29,000 in November. This was lifted by hiring in the Retail Apparel and General Merchandise businesses. Job openings in the Professional and Business Services sector increased by 28,000. Employment in the Government sector increased by 33,000 positions. Employment in the Leisure and Hospitality sector increased by 43,000 jobs, with 29,800 positions in Restaurants and Bars. Hiring also increased in the Social Assistance, Information, Construction, Finance, and Insurance and Transportation and Warehousing sectors. However, the Manufacturing sector lost 13,000 jobs, mostly in the Semiconductor and other Electronic components Manufacturing sector. Jobs were also lost in the Mining and Logging sector.
- **Average hourly wages increased 0.3% last month after rising 0.4% in November. In the 12 months to December, wages rose 3.9% after rising 4.0% in November. AVERAGE HOURS WORKED was unchanged at 34.3 hours, but Aggregate Income rose 0.4%.** Labor income rose at an annualized rate of 5.9% in the fourth quarter, which was the highest increase since the third quarter of 2023. Despite 243,000 people entering the workforce, the PARTICIPATION RATE remained stable at 62.5% for the 3rd consecutive month. The EMPLOYMENT TO POPULATION RATIO, a measure of the economy's ability to create jobs, also rose to 60.0% from 59.8% in November. The number of people permanently out of work fell by 164,000 to 1.7 million. The US labor market is strong and appears to be tightening, economists said.

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- **Financial markets are fully anticipating the Fed to keep its benchmark interest rate unchanged in a range of 4.25%-4.50% at the FOMC MEETING on January 30, according to CME's FEDWATCH survey.** The US central bank has indeed lowered the FED FUND RATE by 100 basis points since launching its easing cycle in September 2024. The FED RATE MONITOR TOOL also confirms that view with a current 96% probability that rates will be held in place at this month's Fed meeting. Even if there is a rate cut this year, it seems that the biggest chance will only be realized in July with a current 41% chance.
- **The Fed last month had projected only 2 rate cuts of a quarter point each this year (likely in June & Sept), compared to 4 previously expected last September,** recognizing the resilience of the US economy and inflation is still high. As noted, the Fed funds rate was raised by 5.25% in 2022 and 2023.
- **EQUITY MARKETS on Wall Street plunged, the S&P500 has fallen 1% since the beginning of 2025.** The US DOLLAR strengthened to a 2-year high over a basket of currencies; while the longer-dated US TREASURY YIELD jumped to its highest level since November 2023. The sell-off in bonds was not limited to the US, but also to other parts of the world.

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PRAKIRAAN PEKAN INI:

- **This week's US INFLATION data is likely to test investors' guts following Friday's strong Payroll Dec report and uncertainty over Donald Trump's policy plans.** FINANCIAL REPORT season is back in full swing; OIL prices are at their highest in months as energy traders brace for supply disruptions.
- **US INFLATION, one of the key risks facing equity markets will be closely watched on Wednesday. Economists expect the December US CPI to show an increase of 2.9% yoy.** While the Fed believes that inflation has moderated enough to start cutting interest rates in September, the annualized pace of US inflation remains above the Fed's target of 2%. The Federal Reserve now projects inflation to rise 2.5% by 2025.
- **THE BIG US BANKS will kick off the release of their Q4/2024 reports also on Wednesday, with market participants looking forward to upbeat figures on the performance of JPMorgan, Wells Fargo, Citigroup, and Goldman Sachs, while Bank of America and Morgan Stanley will report results on Thursday.** Expectations for bank results have also increased following Trump's election victory. The president-elect is expected to usher in a wave of deregulation and business-friendly tax reforms, which could significantly boost bank profitability. S&P 500 corporate profits are expected to rise nearly 10% in the quarter from a year earlier, according to LSEG IBES data cited by Reuters.

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PRAKIRAAN PEKAN INI:

- **UK INFLATION**, will be in focus on Wednesday after last week's sell-off in UK government bonds, known as GILTS, put pressure on the new Labor government in their efforts to stimulate the flagging economy. UK government bond yields have risen steadily since September, reflecting reduced expectations of a BANK OF ENGLAND rate cut, additional borrowing in the new government's budget on October 30, and higher US Treasury yields with Trump expected to pursue loose fiscal policy and raise tariffs. December CPI is expected to show an annualized increase of 2.6%, remaining above the Bank of England's target of 2%. BoE officials' comments will also be in the spotlight where the central bank's Deputy Governor Sarah Breeden is expected to make a speech on Tuesday.
- **CHINA** will release a raft of data towards the end of the week that will give investors a chance to see how the world's second-largest economy is performing as it deals with the blow of impending US tariff increases. GDP data to be released on Friday is expected to confirm that the economy can meet its 5% annual growth target for 2024, as previously announced by President Xi Jinping in late December. Beijing will also release data on house prices, industrial production, and retail sales. Chinese Vice Finance Minister Liao Min said on Friday that the government has sufficient fiscal policy space and tools to support economic growth this year, and will increase spending to spur investment.

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PRAKIRAAN PEKAN INI:

- **ASIAN MARKETS** are forecast to experience volatile movements at the start of this week, rocked by the collapse of the US equity market, sharply rising bond yields, and fears of an inflationary threat. JAPAN'S NIKKEI has already slumped 1% at the open in Tokyo this Monday morning, and the same is likely to happen across the continent.
- **Analysts think market sentiment is quite fragile, as the sharp rise in long-term bond yields has tightened financial conditions everywhere.** According to Goldman Sachs, aggregate emerging-market financial conditions are now the tightest since the end of 2023. Uncertainty over the potential hit to growth in Asia - especially China - from the Trump administration's upcoming 'America First' trade policy is another reason to be extra cautious.
- **TRADE BALANCE** figures from China on Monday may not be strong enough to lift the gloomy mood in the market. Economists polled by Reuters expect Export growth to pick up in December while Imports contract for the 3rd consecutive month. December's Imports figure is likely to attract more attention as it reflects the strength of domestic demand, and therefore may be seen as an early sign of how successful Beijing's stimulus efforts have been.

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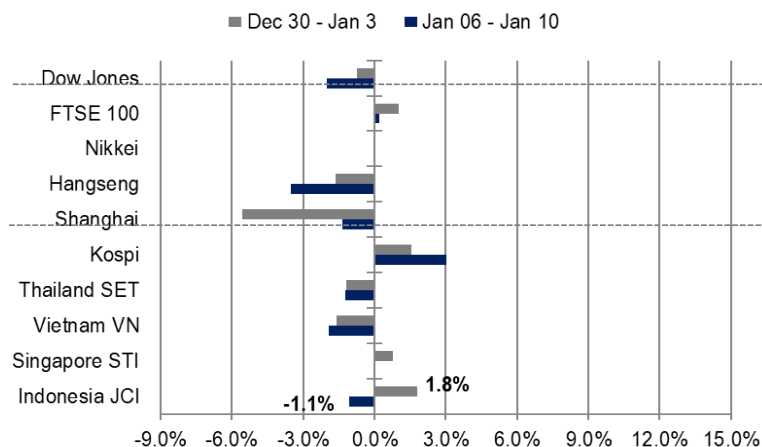
PRAKIRAAN PEKAN INI:

OIL PRICES jumped more than 3% to a 3-month high on Friday as traders braced for supply disruptions due to the **broadest US sanctions package targeting RUSSIAN oil and gas revenues**. President Joe Biden's administration imposed new sanctions targeting Russian oil producers, tankers, intermediaries, traders and ports, aiming to attack every stage of Moscow's oil production and distribution chain. BRENT crude oil prices closed at \$79.76 per barrel after crossing \$80 per barrel for the first time since October 7. US WTI (West Texas Intermediate) crude oil closed at \$76.57 per barrel. The timing of the sanctions, ahead of Trump's inauguration on January 20, makes it likely that he will maintain the sanctions and use them as a negotiating tool for a UKRAINE peace deal, analysts guess.

JCI Index : 7,088.87
Foreign Flow : Net Sell of IDR 1.693T (Vs. last week's Net Sell of IDR 496.2B)
USD/IDR : 16,180

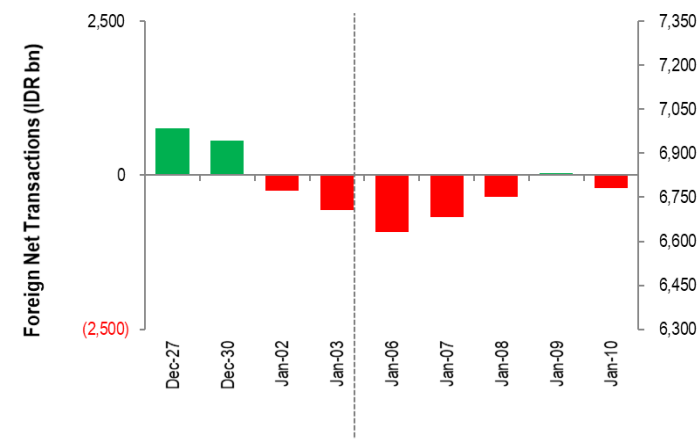
Last Week's JCI Movement

Global Market Movement



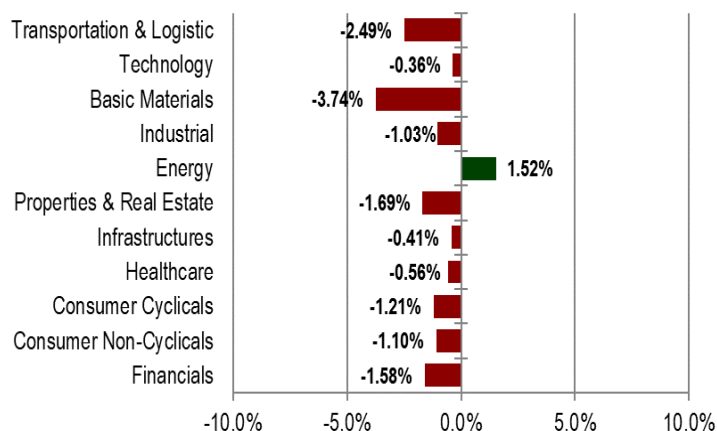
Source: Bloomberg, NHKSI Research

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
BREN	IDR 67.6B	BBRI	IDR 702.2B
BRPT	IDR 65.9B	GOTO	IDR 324.2B
PGAS	IDR 61.6B	BBCA	IDR 195.4B
INDF	IDR 51.2B	BMRI	IDR 168.1B
MDKA	IDR 47.6B	BBNI	IDR 79.8B

Source: IDX, NHKSI Research

Stocks Recommendation

Stocks	TP	SL
WIFI	440 / 490	<360
BRPT	1090 / 1200	<930
HEAL	1750 / 1800	<1600
SCMA	185 /200	<150
MTEL	700 / 730	<650

Source: NHKSI Research



Source: Bloomberg

JCI Index

Support

7041 / 7000-6931

Resistance

7090 / 7156-7200 / 7315



TradingView

Source: NHKSI Research

Economic Calendar

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	-	-	-	-	-	-	-
13 – January							
Tuesday	US	20.30	PPI Final Demand MoM	-	Dec	0.4%	0.4%
14 – January							
Wednesday	ID	14.20	BI-Rate	-	Jan 15	6.00%	6.00%
15 – January	US	19.00	MBA Mortgage Applications	-	Jan 10	-	-3.7%
	US	20.30	Empire Manufacturing	-	Jan	3.0	0.2
	US	20.30	CPI MoM	-	Dec	0.3%	0.3%
	US	20.30	CPI YoY	-	Dec	2.9%	2.7%
Thursday	US	20.30	Retail Sales Advance MoM	-	Dec	0.6%	0.7%
16 – January	US	20.30	Initial Jobless Claims	-	Jan 11	210k	201k
Friday	US	20.30	Housing Starts	-	Dec	1325k	1289k
17 – January	US	21.15	Retail Sales Advance MoM	-	Dec	0.3%	-0.1%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	-
13 – January	Cum Dividend	-
Tuesday	RUPS	INCO, JAYA, PEVE, UNVR
14 – January	Cum Dividend	-
Wednesday	RUPS	BYAN
15 – January	Cum Dividend	-
Thursday	RUPS	SAMF, SKYB
16 – January	Cum Dividend	-
Friday	RUPS	UANG, OKAS
17 – January	Cum Dividend	-

Source: IDX, 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							3.599.0							
BBCA	9.725	9.675	11.500	Buy	18.3	1.8	1.198.8	22.5x	4.7x	21.7	2.9	9.9	12.9	0.9
BBRI	4.010	4.080	5.550	Buy	38.4	(29.6)	607.8	9.9x	1.9x	19.4	9.2	12.8	2.4	1.2
BBNI	4.350	4.350	6.125	Buy	40.8	(22.3)	162.2	7.6x	1.0x	14.3	6.4	6.6	3.4	1.2
BMRI	5.600	5.700	7.775	Buy	38.8	(12.8)	522.7	9.0x	1.9x	22.5	6.3	13.7	7.6	1.1
Consumer Non-Cyclicals							1.010.3							
INDF	7.725	7.700	7.400	Hold	(4.2)	21.7	67.8	6.9x	1.0x	15.9	3.5	3.6	23.7	0.7
ICBP	11.075	11.375	13.600	Buy	22.8	(2.4)	129.2	16.0x	2.8x	18.6	1.8	8.1	15.5	0.6
UNVR	1.705	1.885	3.100	Buy	81.8	(50.0)	65.0	18.0x	18.9x	82.2	6.9	(10.1)	(28.2)	0.5
MYOR	2.710	2.780	2.800	Hold	3.3	10.6	60.6	19.0x	3.8x	21.4	2.0	12.0	(1.1)	0.4
CPIN	4.720	4.760	5.500	Buy	16.5	(1.0)	77.4	38.2x	2.7x	7.0	0.6	5.5	(10.4)	0.8
JPFA	1.835	1.940	1.400	Sell	(23.7)	63.8	21.5	10.2x	1.4x	14.6	3.8	9.3	122.2	1.0
AALI	5.925	6.200	8.000	Buy	35.0	(17.1)	11.4	10.8x	0.5x	4.8	4.2	3.9	0.1	0.7
TBLA	620	615	900	Buy	45.2	(8.1)	3.8	5.3x	0.4x	8.4	12.1	5.3	15.0	0.5
Consumer Cyclicals							478.2							
ERAA	400	404	600	Buy	50.0	(6.1)	6.4	5.6x	0.8x	15.2	4.3	13.5	59.9	0.7
MAPI	1.345	1.410	2.200	Buy	63.6	(27.5)	22.3	13.1x	2.0x	16.4	0.6	16.1	(8.1)	0.7
HRTA	318	354	590	Buy	85.5	(9.7)	1.5	4.2x	0.7x	16.9	4.7	42.4	16.2	0.6
Healthcare							270.9							
KLBF	1.260	1.360	1.800	Buy	42.9	(20.3)	59.1	18.9x	2.6x	14.4	2.5	7.4	15.7	0.7
SIDO	605	590	700	Buy	15.7	15.2	18.2	15.9x	5.0x	32.4	6.0	11.2	32.7	0.6
MIKA	2.390	2.540	3.000	Buy	25.5	(13.1)	33.2	30.1x	5.3x	18.7	1.4	14.6	27.2	0.7
Infrastructure							2.115.95							
TLKM	2.680	2.710	3.150	Buy	17.5	(33.0)	265.5	11.7x	2.0x	17.1	6.7	0.9	(9.4)	1.2
JSMR	4.500	4.330	6.450	Buy	43.3	(7.0)	32.7	7.9x	1.0x	13.7	0.8	44.6	(44.8)	0.9
EXCL	2.230	2.250	3.800	Buy	70.4	3.7	29.3	18.6x	1.1x	6.1	2.2	6.3	32.9	0.7
TOWR	675	655	1.070	Buy	58.5	(29.3)	34.4	10.3x	1.9x	19.2	3.6	8.4	2.0	1.1
TBIG	2.030	2.100	2.390	Buy	17.7	(4.7)	46.0	28.5x	3.9x	14.5	2.7	3.5	4.2	0.4
MTEL	675	645	740	Overweight	9.6	(3.6)	56.4	26.7x	1.6x	6.3	2.7	8.7	11.8	0.7
PTPP	338	336	1.700	Buy	403.0	(25.6)	2.2	4.1x	0.2x	4.4	N/A	14.5	10.3	1.7
Property & Real Estate							551.2							
CTRA	950	980	1.450	Buy	52.6	(24.3)	17.6	9.1x	0.8x	9.6	2.2	8.0	8.5	0.9
PWON	386	398	530	Buy	37.3	(13.1)	18.6	8.2x	0.9x	11.7	2.3	4.7	11.8	0.8

Source : Bloomberg, NHKSI Research

NHKSJ Stocks Coverage

Energy				1.769.3										
ITMG	25.275	26.700	27.000	Overweight	6.8	(6.3)	28.6	4.9x	1.0x	20.8	11.8	(9.3)	(33.3)	0.9
PTBA	2.690	2.750	4.900	Buy	82.2	1.5	31.0	5.6x	1.5x	28.2	14.8	10.5	(14.6)	1.0
ADRO	2.320	2.430	2.870	Buy	23.7	(5.7)	71.4	2.7x	0.6x	22.4	63.1	(10.6)	(2.6)	1.0
Industrial				365.2										
UNTR	25.100	26.775	28.400	Overweight	13.1	7.7	93.6	4.4x	1.1x	26.0	8.9	2.0	1.6	0.9
ASII	4.900	4.900	5.175	Overweight	5.6	(11.3)	198.4	5.8x	1.0x	17.1	10.6	2.2	0.6	0.8
Basic Ind.				1.815.5										
AVIA	422	400	620	Buy	46.9	(17.3)	26.1	15.6x	2.6x	16.5	5.2	4.7	3.0	0.5
SMGR	2.980	3.290	9.500	Buy	218.8	(52.9)	20.1	17.1x	0.5x	2.7	2.8	(4.9)	(57.9)	1.1
INTP	6.300	7.400	12.700	Buy	101.6	(31.1)	23.2	12.3x	1.0x	8.4	1.4	3.0	(16.1)	0.7
ANTM	1.465	1.525	1.560	Overweight	6.5	(11.5)	35.2	14.5x	1.2x	8.9	8.7	39.8	(22.7)	1.2
MARK	1.060	1.055	1.010	Hold	(4.7)	59.4	4.0	14.5x	4.6x	33.2	6.6	74.1	124.5	0.7
NCKL	730	755	1.320	Buy	80.8	(24.0)	46.1	7.9x	1.7x	24.0	3.7	17.8	3.1	N/A
Technology				370.5										
GOTO	81	70	77	Hold	(4.9)	(6.9)	96.5	N/A	2.5x	(111.9)	N/A	11.0	55.3	1.6
WIFI	380	410	424	Overweight	11.6	156.8	0.9	4.8x	1.0x	24.5	0.3	46.2	326.5	1.0
Transportation & Logistic				36.6										
ASSA	660	690	1.100	Buy	66.7	(24.6)	2.4	12.3x	1.2x	10.3	6.1	5.2	75.8	1.1
BIRD	1.500	1.610	1.920	Buy	28.0	(15.0)	3.8	7.2x	0.7x	9.3	6.1	13.5	20.8	0.9

Source : Bloomberg, NHKSJ Research

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