

Weekly Briefing (Jan 20 – Jan 24, 2025)

Summary: Last Week Review

- **GOOD BYE BIDEN, WELCOME TRUMP; AND THE RISE OF CHINA. LAST INFLATION WEEK OF JOE BIDEN'S US PRESIDENTIAL GOVERNMENT** closed out a strong week amid optimism over the health of the economy and the direction of interest rates after the US Federal Reserve said they may cut interest rates sooner than expected as inflation is likely to continue to ease, amid resilient US economic data. After US PPI showed a downward trend for Dec, US CPI was released as expected at 2.9% yoy which did heat up slightly compared to Nov at 2.7%. However, CORE CPI which excludes volatile food & energy prices, managed to slightly underperform expectations of 3.3% to 3.2% yoy in Dec, as well as for the monthly position which was 0.1% lower than Nov. Amid reports of a surge in Philadelphia's Manufacture index and Industrial Production (Dec), as well as US single-family home construction rising to its highest level in 10 months, separate data showed Retail Sales fell in December which is obviously the festive season. Last week's Initial Jobless Claims were evidence that the heating up of the economy is still under control as jobless claims were released 7k more than forecast & 13k more than the previous week.
- **All of the above data eased speculation around Fed interest rates which had implied that it might be necessary to raise rates again, or at least keep rates high for a longer time (= higher for longer).** The latest Fed Watch Survey suggests that there are two probable Fed Fund Rate cuts this year, each of 25bps, but they will occur closer to the second half: between the FOMC Meeting in June/July and another one in September. As a result on Friday the 10-year US TREASURY YIELD has fallen from the 14-month high of 4.809% reached early last week.

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- **Last week was also a solid start to the FINANCIAL REPORT SEASON with results from many of the big banks also helping to lift stocks this week, with the S&P 500 bank index up 7.41% on the week.** The S&P 500 and Dow Industrials recorded their biggest weekly percentage gains since early November and the Nasdaq recorded its best since early December. As investment managers see it, the year started on a better footing than what it has been in recent years; however, amidst strong growth in the US national economy; which in turn is driving better corporate earnings, there are still many questions ahead in terms of fiscal and monetary policy and what Trump's agenda will look like. Over the past week, the DJIA shot up 3.69%, the S&P rallied 2.92% and the Nasdaq appreciated 2.43%.
- **Speaking of Inflation, the UK, GERMANY & EUROZONE also reported their December figures last week where all three results were mixed:** UK managed to tame CPI on an annualized basis down 0.1% (due to Retail Sales also dropping in December), while Germany & Eurozone actually recorded Inflation heating up 0.4% and 0.2% yoy respectively compared to Nov (in-line with expectations).
- **The rest of the world was also in the spotlight when CHINA reported their Q4 GDP at 5.4% yoy which was stronger than the forecast of 5.0% and Q3 of 4.6%.** Their Industrial Production also proved to be picking-up to an 8-month high.
- **What surprised us was the BANK INDONESIA GOVERNOR'S MEETING aka RDG BI which unexpectedly cut BI7DRR by 25bps to 5.75% when US CPI was not even released yet and RUPIAH was at 16300s/USD.** Although this decision is considered by many as translating that Indonesia's economy is indeed slowing down, it also says that the central bank this time is pro-stability & supports growth. After the decision was made, USD/IDR touched a high of 16,410; almost near the previous high of 16,490 in June last year.

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This Week Preview:

Global investors will finally see the market impact of US President-elect DONALD TRUMP's return to the White House. Trump's inauguration on Monday January 20 as the 47th US president is expected to trigger a series of executive orders ranging from taxes to tariffs, just as the fourth quarter earnings season gets underway. **Here's what market participants are focusing on in terms of what to expect in the markets for this week.**

- **Investors are watching closely as TRUMP prepares to begin his second term on Monday after indications that he plans to sign a series of executive orders on his first day. US markets will be closed on Monday for Martin Luther King Jr. Day, so any market impact may not be fully felt until Tuesday.** Tariff-related movements will be of particular focus; ahead of the inauguration, long-term US bond yields have risen amid expectations that Trump's proposed tariffs could trigger a resurgence in inflation. Amid one of his executive orders is that Trump has announced his intention to suspend the ban on TikTok. The executive order will also confirm that no company will be held liable for helping to keep TikTok operating before the order was issued.
- **Trump urged companies not to allow TikTok to cease operations, emphasizing the importance of the platform for showcasing events such as his inauguration this Monday.** His plan has sent US social media stocks like Meta Facebook plummeting. Trump has also expressed his desire for the United States to hold a 50% stake in joint ventures. In a recent meeting with CHINA PRESIDENT XI JIN PING, Trump claimed that the US & CHINA have agreed to maintain global peace at all costs.

Weekly Briefing (Jan 20 – Jan 25, 2025)

This Week Preview

- **FINANCIAL REPORT season will continue this week, with a series of companies set to report fourth quarter earnings.** Key earnings reports will come from streaming giant Netflix, healthcare leader Johnson & Johnson, leading consumer goods company Procter & Gamble, and credit card issuer American Express. Overall, analysts expect S&P 500 companies to report a 10.4% year-on-year increase in fourth-quarter profit, according to LSEG IBES data from January 15, cited by Reuters.
- **Global government and business leaders will attend the annual WORLD ECONOMIC FORUM meeting in DAVOS, Switzerland, which begins on Monday.** A WEF survey released ahead of the meeting last week showed that armed conflict was the most severe risk to the global economy in 2025, followed by extreme weather. Trump is scheduled to address the meeting via video link on Wednesday. Ukrainian President Volodymyr Zelenskiy will also attend and will deliver a speech on Monday, according to WEF organizers. Among the other global leaders who will attend the Davos meeting are European Central Bank President Christine Lagarde, European Commission President Ursula von der Leyen, British Chancellor Rachel Reeves, and Chinese Vice Premier Ding Xuexiang.

Weekly Briefing (Jan 20 – Jan 25, 2025)

PRAKIRAAN PEKAN INI:

- **BANK OF JAPAN** will hold its first policy meeting of the year on Thursday and Friday. Ahead of the meeting, BOJ policymakers appeared to be preparing the market for a possible rate hike, with Governor Kazuo Ueda and his deputy Ryozi Himino saying the decision on whether to raise borrowing costs would be a matter of **debate**. BOJ officials will have several days to consider how Trump's policies could affect financial markets before spelling out their decision. A rate hike would narrow the gap between US and Japanese interest rates, which would strengthen the Yen. The Yen has been holding near the 160/USD level, prompting the BOJ to intervene in the foreign exchange market to support the currency.
- **BRENT LOW OIL** rose 1.3% last week while **US WTI** jumped 1.7% on the back of sentiment **US sanctions on Russia's energy trade added to concerns over potential supply disruptions**. Oil has gained 10% so far this month, amid concerns about the impact of other Western sanctions on Russian crude. Energy traders also weighed the potential implications of Trump's return to the White House on Monday. Trump's pick for Treasury Secretary has said he is prepared to impose tougher sanctions on Russian oil. Meanwhile, a blast of Arctic air has blanketed much of the US, causing temperatures to plummet. This is expected to continue until mid-week, which is likely to boost demand for heating oil.

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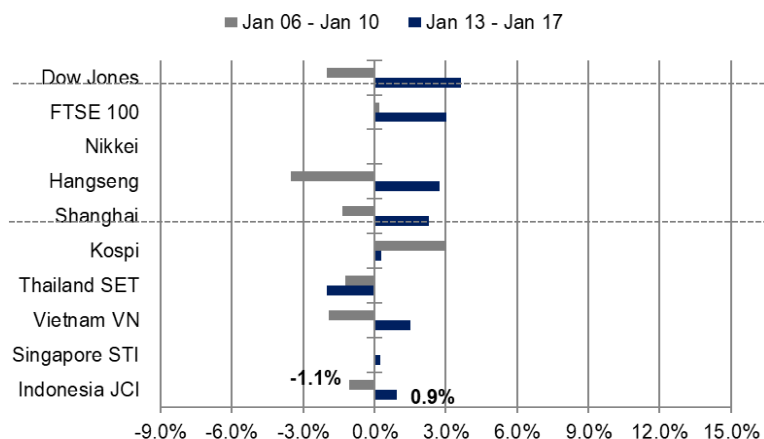
JCI Index : 7,154.66

Foreign Flow : Net Buy of IDR 252B (Vs. last week's Net Sell of IDR 1.69T)

USD/IDR : 16,337

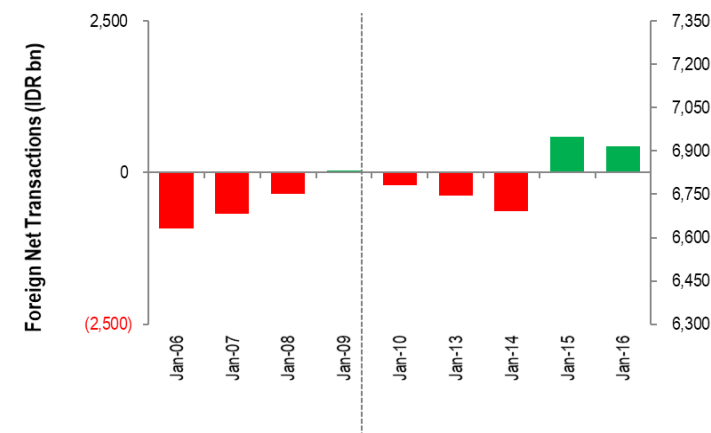
Last Week's JCI Movement

Global Market Movement



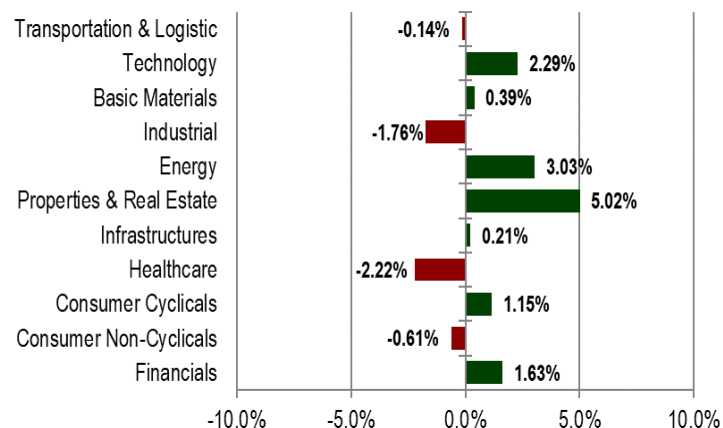
Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

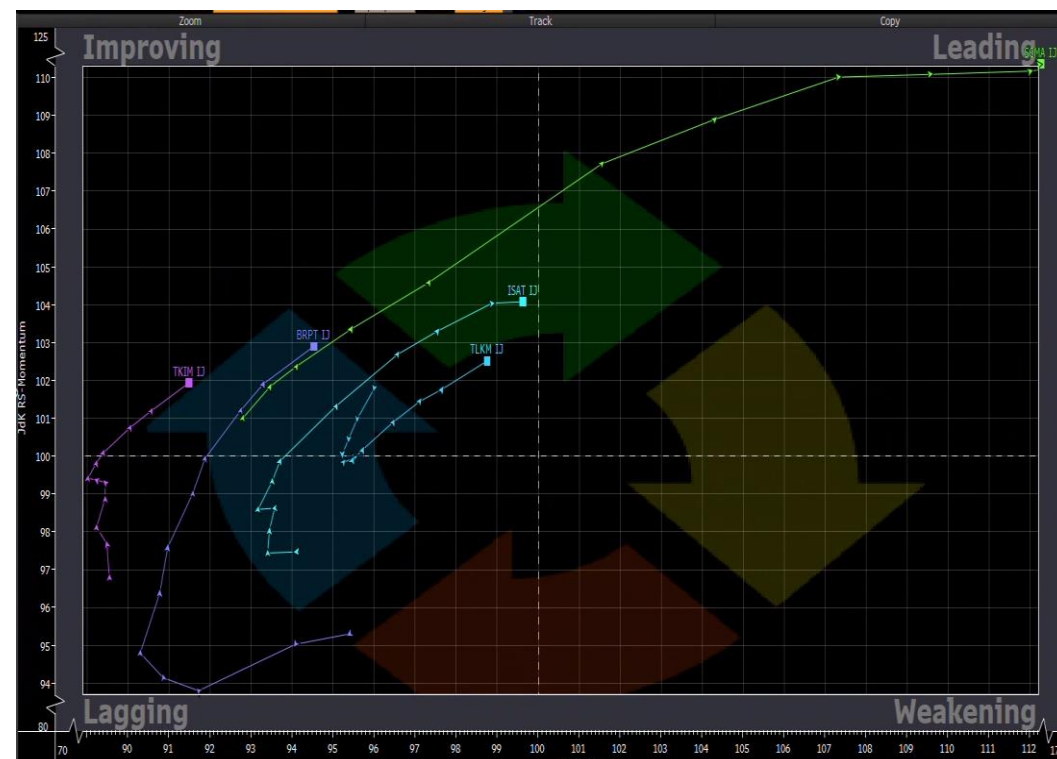
Top Foreign Buy (RG)	Net Buy Value	Top Foreign Sell (RG)	Net Sell Value
BMRI	IDR 231.4B	PTRO	IDR 169.8B
BBRI	IDR 116.5B	BBCA	IDR 126.8B
TLKM	IDR 115.4B	BRMS	IDR 96.7B
UNTR	IDR 64.8B	BRIS	IDR 75.4B
BREN	IDR 54.5B	VKTR	IDR 63.4B

Source: IDX, NHKSI Research

Stocks Recommendation

Stocks	TP	SL
TKIM	6400 / 6700	<5750
BRPT	1090 / 1200	<930
SCMA	186 / 200 / 214	<166
TLKM	2800 / 2950	<2600
ISAT	2460 / 2600	<2210

Source: NHKSI Research



Source: Bloomberg

JCI Index

Support

7080-7070 / 7000-6931/ 6738-6642

Resistance

7190-7200 / 7300-7375



Source: NHKSI Research

Economic Calendar

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	-	-	-	-	-	-	-
20 – January							
Tuesday	-	-	-	-	-	-	-
21 – January							
Wednesday	ID	14.20	BI-Rate	-	Jan 15	6.00%	6.00%
22 – January	US	19.00	MBA Mortgage Applications	-	Jan 17	-	33.3%
	US	20.30	Leading Index	-	Dec	-0.1%	0.3%
Thursday	US	20.30	Initial Jobless Claims	-	Jan 18	220k	217k
23 – January							
Friday	US	20.30	S&P Global US Manufacturing PMI	-	Dec	49.9	49.4
24 – January	US	21.15	University of Michigan Sentiment	-	Dec	73.2	73.2
	US	21.15	Existing Home Sales	-	Dec	4.20m	4.15m

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday	RUPS	LPGI, SMGR, SRAJ
20 – January	Cum Dividend	-
Tuesday	RUPS	-
21 – January	Cum Dividend	-
Wednesday	RUPS	FASW
22 – January	Cum Dividend	-
Thursday	RUPS	LINK
23 – January	Cum Dividend	-
Friday	RUPS	BJBR, DATA, ENRG, SMLE
24 – 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							3,475.5							
BBCA	9.800	9.675	11.500	Buy	17.3	0.8	1,208.1	22.7x	4.7x	21.7	2.8	9.9	12.9	0.9
BBRI	4.090	4.080	5.550	Buy	35.7	(29.8)	619.9	10.1x	1.9x	19.4	9.0	12.8	2.4	1.2
BBNI	4.410	4.350	6.125	Buy	38.9	(21.6)	164.5	7.7x	1.0x	14.3	6.4	6.6	3.4	1.2
BMRI	5.750	5.700	7.775	Buy	35.2	(11.5)	536.7	9.3x	2.0x	22.5	6.2	13.7	7.6	1.1
Consumer Non-Cyclicals							996.5							
INDF	7.700	7.700	7.400	Hold	(3.9)	19.4	67.6	6.9x	1.0x	15.9	3.5	3.6	23.7	0.7
ICBP	10.775	11.375	13.600	Buy	26.2	(3.1)	125.7	15.5x	2.7x	18.6	1.9	8.1	15.5	0.7
UNVR	1.735	1.885	3.100	Buy	78.7	(49.4)	66.2	18.3x	19.3x	82.2	6.8	(10.1)	(28.2)	0.5
MYOR	2.610	2.780	2.800	Overweight	7.3	6.5	58.4	18.3x	3.7x	21.4	2.1	12.0	(1.1)	0.4
CPIN	4.600	4.760	5.500	Buy	19.6	(2.7)	75.4	37.3x	2.6x	7.0	0.7	5.5	(10.4)	0.8
JPFA	1.875	1.940	1.400	Sell	(25.3)	68.2	22.0	10.4x	1.4x	14.6	3.7	9.3	122.2	1.1
AALI	6.000	6.200	8.000	Buy	33.3	(16.4)	11.5	10.9x	0.5x	4.8	4.2	3.9	0.1	0.8
TBLA	620	615	900	Buy	45.2	(8.8)	3.8	5.3x	0.4x	8.4	12.1	5.3	15.0	0.5
Consumer Cyclicals							484.7							
ERAA	384	404	600	Buy	56.3	(9.4)	6.1	5.4x	0.8x	15.2	4.4	13.5	59.9	0.7
MAPI	1.370	1.410	2.200	Buy	60.6	(28.1)	22.7	13.3x	2.0x	16.4	0.6	16.1	(8.1)	0.6
HRTA	370	354	590	Buy	59.5	1.1	1.7	4.9x	0.8x	16.9	4.1	42.4	16.2	0.6
Healthcare							266.6							
KLBF	1.255	1.360	1.800	Buy	43.4	(21.1)	58.8	18.8x	2.6x	14.4	2.5	7.4	15.7	0.7
SIDO	590	590	700	Buy	18.6	12.4	17.7	15.5x	4.9x	32.4	6.1	11.2	32.7	0.6
MIKA	2.360	2.540	3.000	Buy	27.1	(9.9)	32.8	29.8x	5.3x	18.7	1.4	14.6	27.2	0.7
Infrastructure							2,042.21							
TLKM	2.630	2.710	3.150	Buy	19.8	(34.3)	260.5	11.5x	1.9x	17.1	6.8	0.9	(9.4)	1.2
JSMR	4.240	4.330	6.450	Buy	52.1	(10.4)	30.8	7.5x	0.9x	13.7	0.9	44.6	(44.8)	1.0
EXCL	2.270	2.250	3.800	Buy	67.4	(0.4)	29.8	18.9x	1.2x	6.1	2.1	6.3	32.9	0.7
TOWR	675	655	1.070	Buy	58.5	(31.5)	34.4	10.3x	1.9x	19.2	3.6	8.4	2.0	1.2
TBIG	2.070	2.100	2.390	Buy	15.5	2.0	46.9	29.1x	4.0x	14.5	2.7	3.5	4.2	0.4
MTCL	670	645	740	Overweight	10.4	(2.9)	56.0	26.5x	1.6x	6.3	2.7	8.7	11.8	0.7
PTPP	342	336	1.700	Buy	397.1	(24.3)	2.2	4.2x	0.2x	4.4	N/A	14.5	10.3	1.8
Property & Real Estate							518.8							
CTRA	960	980	1.450	Buy	51.0	(22.0)	17.8	9.2x	0.9x	9.6	2.2	8.0	8.5	0.9
PWON	400	398	530	Buy	32.5	(10.3)	19.3	8.4x	0.9x	11.7	2.3	4.7	11.8	0.9

Source : Bloomberg, NHKSI Research

NHKSJ Stocks Coverage

Energy			1.810.6											
ITMG	25.750	26.700	27.000	Hold	4.9	(6.2)	29.1	4.9x	1.0x	20.8	11.6	(9.3)	(33.3)	0.8
PTBA	2.670	2.750	4.900	Buy	83.5	(1.5)	30.8	5.5x	1.5x	28.2	14.9	10.5	(14.6)	0.9
ADRO	2.400	2.430	2.870	Buy	19.6	(4.4)	73.8	2.8x	0.6x	22.4	61.0	(10.6)	(2.6)	1.0
Industrial			358.8											
UNTR	25.700	26.775	28.400	Overweight	10.5	3.9	95.9	4.5x	1.1x	26.0	8.7	2.0	1.6	0.9
ASII	4.940	4.900	5.175	Hold	4.8	(10.6)	200.0	5.9x	1.0x	17.1	10.5	2.2	0.6	0.8
Basic Ind.			1.824.2											
AVIA	404	400	620	Buy	53.5	(25.2)	25.0	15.0x	2.5x	16.5	5.4	4.7	3.0	0.4
SMGR	2.880	3.290	9.500	Buy	229.9	(54.1)	19.4	16.5x	0.4x	2.7	2.9	(4.9)	(57.9)	1.2
INTP	6.125	7.400	12.700	Buy	107.3	(33.1)	22.5	12.0x	1.0x	8.4	1.5	3.0	(16.1)	0.8
ANTM	1.530	1.525	1.560	Hold	2.0	(4.7)	36.8	15.1x	1.2x	8.9	8.4	39.8	(22.7)	1.1
MARK	1.000	1.055	1.010	Hold	1.0	49.3	3.8	13.6x	4.4x	33.2	7.0	74.1	124.5	0.7
NCKL	740	755	1.320	Buy	78.4	(22.5)	46.7	8.0x	1.7x	24.0	3.6	17.8	3.1	0.9
Technology			364.0											
GOTO	80	70	77	Hold	(3.8)	(13.0)	95.3	N/A	2.5x	(111.9)	N/A	11.0	55.3	1.5
WIFI	735	410	424	Sell	(42.3)	396.6	1.7	9.2x	1.9x	24.5	0.1	46.2	326.5	1.2
Transportation & Logistic			36.6											
ASSA	660	690	1.100	Buy	66.7	(19.5)	2.4	12.3x	1.2x	10.3	6.1	5.2	75.8	1.1
BIRD	1.590	1.610	1.920	Buy	20.8	(12.2)	4.0	7.6x	0.7x	9.3	5.7	13.5	20.8	0.9

Source : Bloomberg, NHKSJ Research

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