

KEY INDICATOR

02/02/2022	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	3.50	3.50	0.00	-25.00
10 Yr (bps)	6.42	6.44	-0.02	28.60
USD/IDR	14,356	14,330	+0.18%	2.57%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	6,707.05	1.15%	1.92%	15.94
MSCI	6,831.30	0.63%	2.90%	15.34
HSEI	23,802.26	CLOSED	1.73%	11.22
FTSE	7,583.78	0.63%	2.69%	12.42
DJIA	35,629.33	0.63%	-1.95%	18.71
NASDAQ	14,417.55	0.50%	-7.85%	29.09

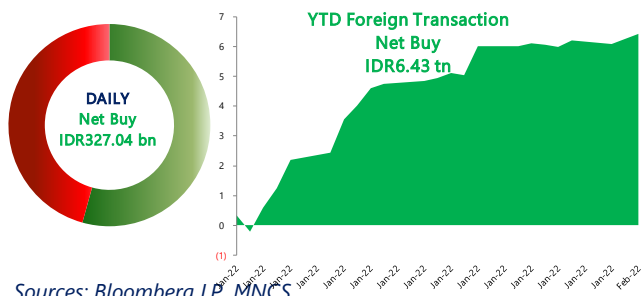
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	88.00	-0.23%	58.42%	11.45%
COAL	USD/TON	216.00	-0.96%	159.41%	30.01%
CPO	MYR/MT	5,785.00	-0.31%	54.09%	7.17%
GOLD	USD/TOZ	1,806.95	0.01%	-1.14%	-0.55%
TIN	USD/MT	42,763.00	0.60%	95.13%	6.28%
NICKEL	USD/MT	23,394.50	+2.77%	21.13%	6.29%

CORPORATE ACTION

TICKER	EVENT	NOTES
STTP	RUPS	-
-	-	-
-	-	-

NET FOREIGN TRADING VALUE



Global Market Highlight

DJIA rose +0.63% on Wednesday (02/02) followed by S&P 500 (+0.94%) and Nasdaq (+0.50%). The index's strengthening was triggered by the release of the issuer's positive financial performance reports in FY21, in contrast to the release of labor data where ADP employment change for Jan-22 became 301K (vs 776K in Dec-21), far below the consensus set at 207 thousand. In addition, the weakening of the yield on 10y T-notes by -2.2 bps to 1.76% also pushed the index up. Today, the market will be looking toward several data releases such as: 1) US ISM Non-Manufacturing PMI; 2) UK BoE Interest Rate Decision; 3) Eurozone ECB Interest Rate Decision.

Domestic Updates

- Government successfully raised funding through a securities auction yesterday. The total incoming bids were IDR72.07 trillion. MNCS Comment: As we expected, the incoming bids were lower than in the previous auction at IDR84.84 trillion. Series that has the highest demand from investors includes FR0092 with the incoming bids of IDR15.76 trillion.
- Furthermore, the second dose of vaccination rate nationally has reached 61.8% or equivalent to 128.68 million people.

Company News

- JPFA IJ through its subsidiary PT Suri Tani Pemuka (STP) recorded IDR524.6 billion worth of fishery export products, up +30.5% YoY in FY21. These increasing exports are in line with the company's strategic plan to expand its market (Bisnis Indonesia). MNCS Comment: We see that the increase in exports is supported by the quality of fishery products that have implemented international production standards, also several global certifications that have been obtained, including HACCP, GMP, BAP, ASC, BRC and Kosher Certification. JPFA is trading at the level of 9.72x/1.67x PER/PBV levels.
- KRAS IJ recorded a new record of steel products export on Jan-22 of 63,731 tons, up +87% YoY (vs 34,022 tons on Jan-21). 30,000 tons of Krakatau Steel HRC (Hot Rolled Coil) steel exported to Italy on 30 Jan-22 (IQPlus). MNCS Comment: We view that this increase in exports is supported by the opportunity to market steel products to countries whose production activities have been disrupted due to the pandemic. This significant increase in exports might boost the company's performance and increase its total sales in FY22E. KRAS is trading at the level of 6.24x/0.86x PER/PBV.
- YELO IJ targets IDR143 billion of revenue in 1Q22, a significant increase compared to 1Q21 of IDR1.5 billion. This optimism is supported by the company's achievement in 3Q21 which has obtained a net income of IDR13.1 billion, up +500% YoY (Kontan). MNCS Comment: We see that the company has the potential to continue its good performance in FY22E through its expansion activity. In Jan-22, the company increased its share ownership in PT Telemedia Communication Pratama to 99% to develop its digital ecosystem. The company also plans to develop fiber optic-based fast internet in tier-2 and tier-3 areas. YELO is trading at the level of 2.62x PBV.

IHSG Updates

JCI rose +1.15% to 6,707.65 on Wednesday (02/02) followed by net foreign buy which reached IDR327.04 billion. Almost all sectors experienced strengthening, led by the technology sector (+5.67%) followed by the transportation sector (+2.86%). On the other hand, the energy sector weakened -1.41%. The strengthening of the JCI is in line with the increase that occurred on Wall Street. The positive catalyst came from the release of inflation data where Indonesia's inflation recorded on Jan-22 of 0.56% MoM/2.18% YoY as reflected by the Consumer Price Index (CPI) which was at 108.26 in line with BI's target for FY22E in 2-4%. In addition, the manufacturing PMI in Jan-22 remained expansive at 53.7 (vs 53.5 in Dec-21) indicating a solid economic recovery acceleration amidst the resumption of the surge in Covid-19 cases. On the other hand, the Rupiah weakened at IDR14,356/USD level. We estimate that the JCI will move in the range of 6,630-6,730. Today's recommendation: BBCA, SMBR, WIKA, LSIP.

## MNC Research Investment Ratings Guidance

**BUY** : Share price may exceed 10% over the next 12 months

**HOLD** : Share price may fall within the range of +/- 10% of the next 12 months

**SELL** : Share price may fall by more than 10% over the next 12 months

**Not Rated** : Stock is not within regular research coverage

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