

Weekly Brief (Aug 31st – Sept 04th)

Summary:

Last week review: For the past week, JCI managed to close higher supported by domestic and global sentiments regarding the government stimulus to boost Indonesian economy and the Fed's policy to change the inflation strategy.

This week's outlook: JCI Movement this week will be influenced by sentiments from monthly domestic economic data releases such as Inflation and Manufacturing PMI. The still weak public purchasing power means that Indonesia's inflation rate is predicted to be quite low. Meanwhile, the increase in business activities is hoped to return Manufacturing PMI to the expansion zone.

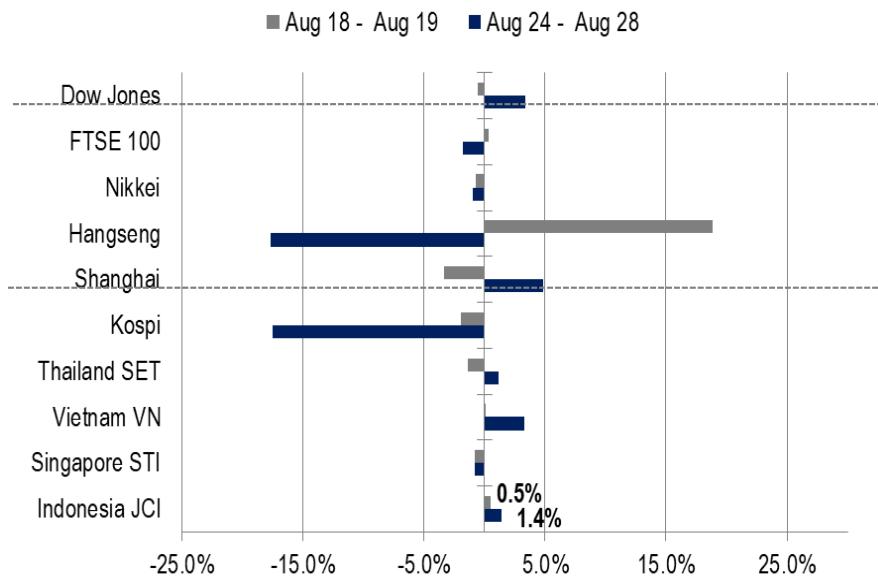
Last Week's JCI Movement

•JCI Index	: 5,346.66 (+1.4%)
Foreign Flow	: Net sell of IDR912 billion (vs. last week's net sell of IDR197 billion)
USD/IDR	: 14,663 (-0.95%)

JCI Closed Higher

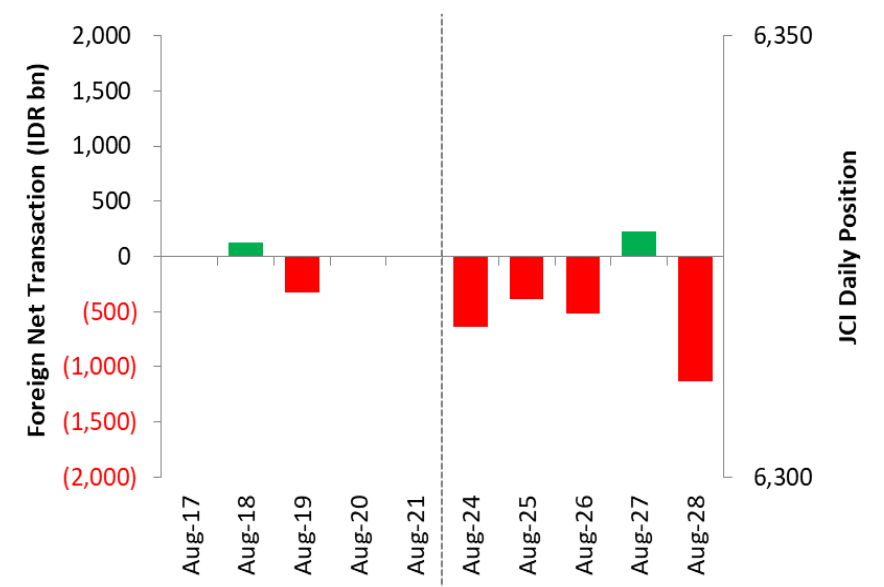
- August 25 - JCI closed higher in line with the government's stimulus related to phase I salary subsidies of IDR 600 thousand for 15.7 million workers and the government's efforts to accelerate the absorption of the budget until the third quarter of 2020. However, based on the prediction from the Coordinating Minister of Economy, GDP will remain negative in the third quarter of this year.
- August 27 - JCI continues to strengthen amid the lack of positive domestic sentiment. From a global perspective, the Fed will strive to achieve an inflation rate of 2% gradually and will extend its low interest rate policy.
- August 28 - JCI closed lower after recording a rally for 4 consecutive days triggered by profit taking.

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

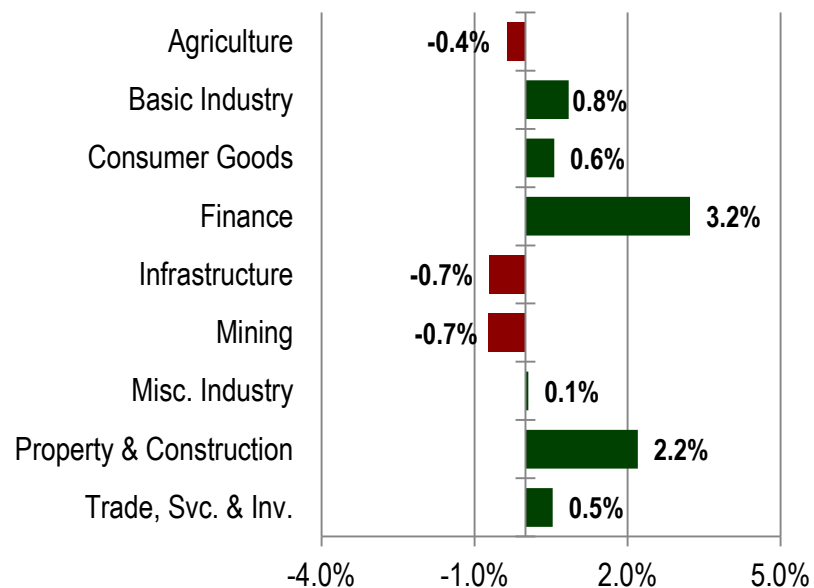
- Banking Sector**

For the past week, the banking sector went up by 3.2% amid the rising net performing loan (NPL) gross industry-wide to 3.22% from the previous 3.11%. The moderate rise means the condition of Indonesia's banking industry is still well maintained.

- Miscellaneous Industry Sector**

During the week, mining and infrastructure sectors booked the biggest decline of -0.4%. One of the suppressing factors is the decrease of MDKA by 5.2% last week. On Aug 26, MDKA planned to issue corporate bonds I phase II in 2020 with a principal amount of IDR 300 billion. Meanwhile, from the infrastructure sector, one of the stocks, TLKM, still recorded the highest foreign net sell during the past week.

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	124.1	TLKM	-737.3
CTRA	50.9	BBNI	-562.8
PTBA	45.6	BMRI	-280.7
ADRO	35.3	GGRM	-177.5
UNTR	30.8	MDKA	-177.0

Source: NHKSI Research

Outlook This Week

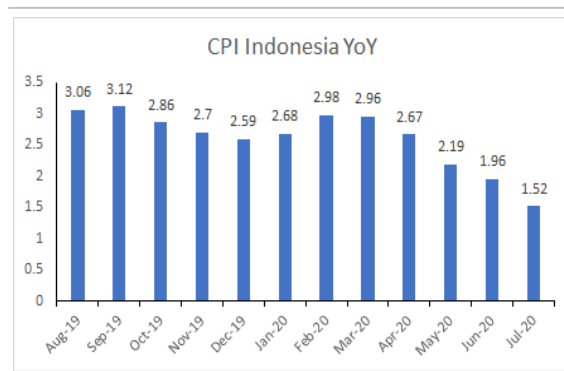
- **August 2020 Inflation Data Release**

The still weak public purchasing power means that Indonesia's inflation rate for August 2020 is predicted to be quite low. Economists predict that on a Month to month basis, inflation will be in the range of 0.15%. Although low, this estimate still shows an upward trend compared to the previous month which experienced deflation of 0.1%. As for annually, the consensus inflation estimate is at the level of 1.4%. The supporting factors for inflation in August 2020 are expected to come from the increase in gold prices, as well as the cost of education as the new academic year in Indonesia begins.

- **PMI Manufacturing Data Release**

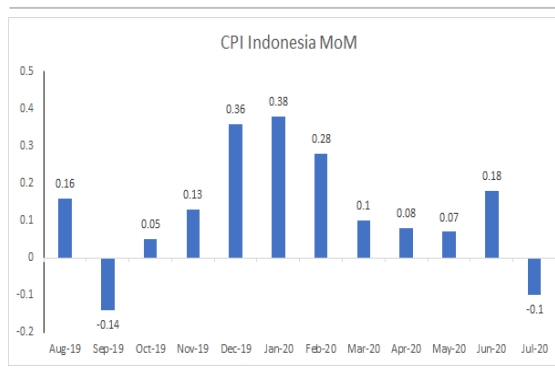
Indonesia's manufacturing Purchasing Managers Index (PMI) data has shown a fairly good trend of improvement since hitting a low of 27.5 in April 2020. In July 2020, the PMI was at the level of 46.9 or almost approaching the reference limit for expansion at 50. As business activity resumed, there are expectations that the August 2020 PMI figure could touch expansion levels following major countries such as the US and China. If this can be realized, it will be a positive catalyst for the Indonesian stock exchange

CPI Indonesia YoY



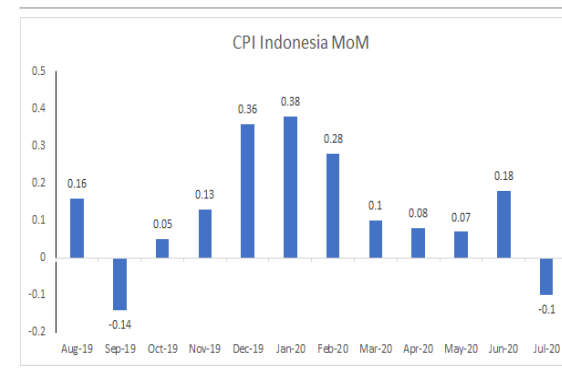
Source: Bloomberg, NHKSI Research

CPI Indonesia MoM



Source: Bloomberg, NHKSI Research

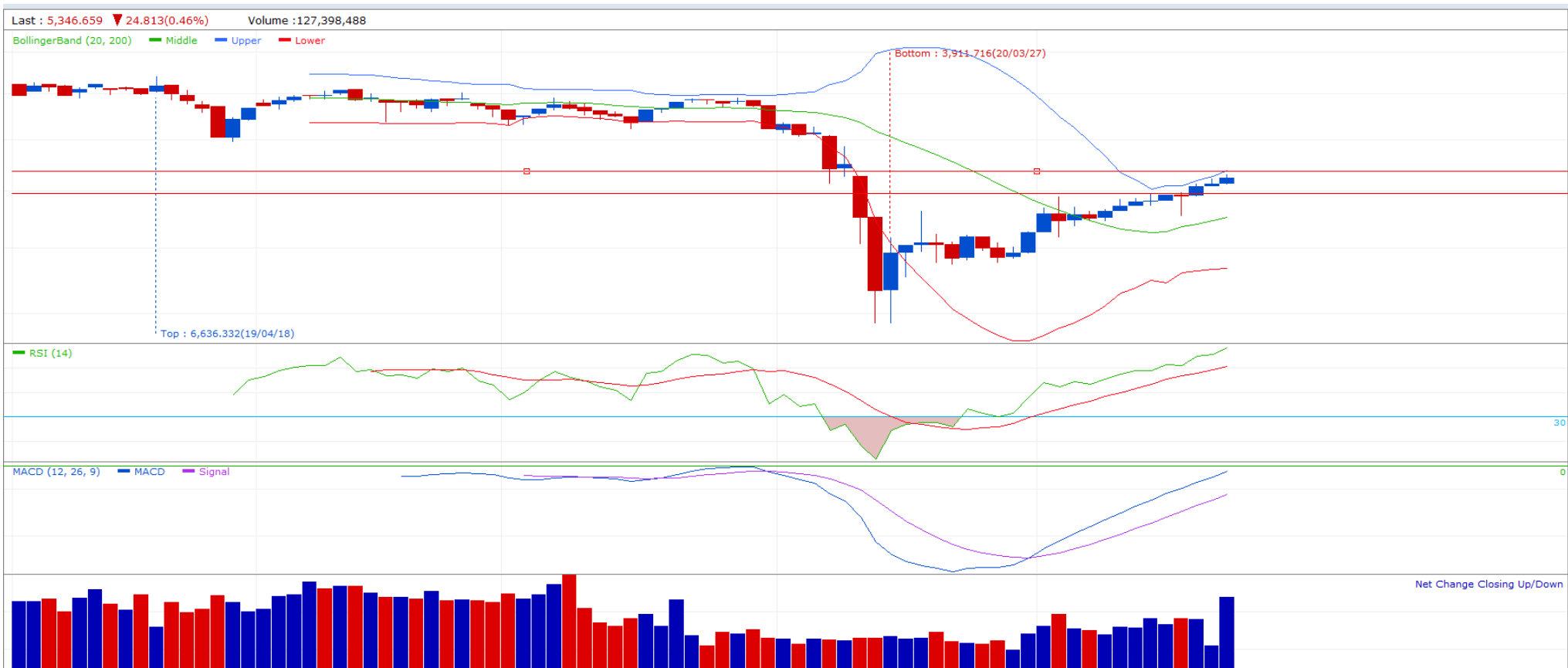
Indonesia PMI



Source: Bloomberg, NHKSI Research

JCI Index

Open	5,272.81	Middle	4,912.74	MACD	-22,689	Support	5,180
High	5,381.95	Upper Limit	5,428.55	RSI	58,18	Resistance	5,420
Low	5,261.41	Lower Limit	4,396.92	SIGNAL	50,56		
Close	5,346.66						



Kalender Ekonomi

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 31-Aug	CH	8:00	Manufacturing PMI	Aug	51.2	51.1
	GE	19:00	CPI MoM	Aug P	0.00%	-0.50%
	GE	19:00	CPI YoY	Aug P	0.10%	-0.10%
Tuesday, 01-Sep	ID	11:00	CPI YoY	Aug	1.40%	1.54%
	EC	15:00	Markit Eurozone Manufacturing PMI	Aug F	51.7	51.7
	EC	16:00	CPI MoM	Aug P	--	-0.40%
	US	20:45	Markit US Manufacturing PMI	Aug F	--	53.6
Wednesday, 02-Sep	UK	13:00	Nationwide House PX MoM	Aug	0.50%	1.70%
	US	18:00	MBA Mortgage Applications	28-Aug	--	-6.50%
	US	21:00	Durable Goods Orders	Jul F	--	11.20%
Thursday, 03-Sep	US	19:30	Initial Jobless Claims	29-Aug	--	1006k
	US	19:30	Trade Balance	Jul	-\$51.7b	-\$50.7b
Friday, 04-Sep	GE	13:00	Factory Orders MoM	Jul	6.00%	27.90%
	US	19:30	Change in Nonfarm Payrolls	Aug	1518k	1763k
	US	19:30	Unemployment Rate	Aug	9.90%	10.20%

Source: Bloomberg

Kalender Aksi Korporasi

Date	Event	Company
Monday, 31-Aug	Cum Dividend	MKPI, JSPT, INOV, ESIP, EKAD, BNBA
	RUPS	ZBRA, VRNA, SMRU, SMMA, SAFE, PRIM, PKPK, MMLP, MCOR, KPAL, KOTA, KBAG, ISSP, INTA, INDR, HDIT, ESTA, DUCK, DNET, CTTH, CLPI, BTEL, BSIM, BOLA, BEEF, BAJA, AKKU, AIMS
	IPO	PNGO
Tuesday, 01-Sep	Cum Dividend	INCI
	RUPS	BPFI, BJBR
Wednesday, 02-Sep	Cum Dividend	ULTJ, TKIM, JTPE, INKP, CPIN, BISI
	RUPS	GGRP, BBNI, BACA
Thursday, 03-Sep	Cum Dividend	KKGI, DLTA
	RUPS	GOOD, DEWA

Source: RTI Analytics

INNI Index's Stocks List

	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						(1,5)	2.338,0							
BBCA	33.000	33.425	30.100	Hold	(8,8)	10,1	813,6	29,1x	4,8x	17,0	1,7	6,6	(5,0)	1,1
BBRI	3.700	4.400	3.010	Sell	(18,6)	(11,7)	456,4	16,0x	2,4x	15,2	4,5	(2,1)	(37,2)	1,3
Consumer						(19,1)	1.131,4							
GGRM	51.900	53.000	59.600	Hold	14,8	(30,4)	99,9	9,6x	1,8x	21,0	5,0	1,7	(10,7)	0,9
KINO	3.160	3.430	2.950	Hold	(6,6)	2,6	4,5	16,5x	1,7x	10,7	3,4	(1,3)	(67,6)	0,9
ICBP	10.350	11.150	9.850	Hold	(4,8)	(12,5)	120,7	20,7x	4,2x	22,7	2,1	4,1	31,2	0,8
KLBF	1.615	1.620	1.870	Buy	15,8	(2,4)	75,7	28,7x	4,6x	17,0	1,2	3,8	10,3	1,1
Infrastructure						(27,5)	618,44							
TLKM	2.990	3.917	3.800	Buy	27,1	(30,7)	296,2	15,9x	3,1x	19,6	5,2	(3,6)	(0,8)	1,0
JSMR	3.940	5.175	4.550	Buy	15,5	(26,4)	28,6	22,8x	1,5x	6,9	0,4	(51,0)	(90,0)	1,3
EXCL	2.540	3.150	3.350	Buy	31,9	(23,7)	27,2	12,5x	1,3x	11,1	0,8	6,7	526,9	1,1
TOWR	1.040	805	1.140	Hold	9,6	49,6	53,1	19,8x	5,7x	31,1	2,3	21,7	30,0	1,0
PGAS	1.315	2.170	1.400	Hold	6,5	(32,9)	31,9	43,2x	0,8x	1,9	3,2	(0,3)	(26,6)	1,6
TBIG	1.250	1.230	1.400	Hold	12,0	17,9	28,3	27,5x	4,8x	21,9	2,2	13,2	33,8	1,0
Trade						(19,4)	567,4							
UNTR	23.525	21.525	19.000	Sell	(19,2)	12,6	87,8	9,0x	1,5x	17,3	5,2	(23,4)	(28,3)	0,9
MAPI	685	1.055	870	Buy	27,0	(30,8)	11,4	431,6x	2,1x	0,5	N/A	(32,2)	N/A	1,2
ERAA	1.695	1.795	2.000	Buy	18,0	9,4	5,4	18,1x	1,1x	6,3	N/A	(6,3)	5,9	1,5
Property						(39,0)	286,2							
CTRA	770	1.040	810	Hold	5,2	(29,4)	14,3	13,7x	1,0x	7,0	1,0	(10,8)	(43,8)	1,5
WSKT	675	1.485	820	Buy	21,5	(61,2)	9,2	34,6x	0,6x	1,5	0,5	(51,9)	(94,1)	1,8
WIKA	1.270	1.990	1.840	Buy	44,9	(43,6)	11,4	6,9x	0,8x	11,3	4,0	(37,2)	(71,9)	1,8
PTPP	1.005	1.585	1.250	Buy	24,4	(45,1)	6,2	10,7x	0,6x	4,9	3,4	(36,6)	(94,5)	1,8
PWON	418	570	545	Buy	30,4	(33,1)	20,1	11,0x	1,4x	13,2	1,7	(43,7)	(64,7)	1,5
Basic Ind.						(11,9)	617,0							
SMGR	10.675	12.000	11.500	Hold	7,7	(17,6)	63,3	25,1x	1,9x	8,0	0,4	(2,0)	25,6	1,3
Misc Ind.						(18,4)	286,3							
ASII	5.300	6.925	5.350	Hold	0,9	(17,8)	214,6	9,2x	1,4x	15,9	4,0	(22,7)	16,1	1,3
Mining						(10,4)	328,8							
TINS	775	825	750	Hold	(3,2)	(22,1)	5,8	N/A	1,2x	(21,4)	N/A	(18,5)	N/A	1,5
PTBA	2.130	2.660	2.900	Buy	36,2	(11,6)	24,5	6,2x	1,2x	20,6	15,3	(4,0)	(25,0)	1,1
INCO	3.830	3.640	3.500	Hold	(8,6)	15,0	38,1	19,0x	1,3x	7,1	N/A	23,3	N/A	1,6
ANTM	795	840	850	Hold	6,9	(24,3)	19,1	N/A	1,1x	(0,5)	0,4	(36,0)	(80,2)	1,5
Agriculture						(14,1)	75,1							
AALI	10.025	14.575	14.200	Buy	41,6	(4,8)	19,3	34,5x	1,0x	3,0	0,5	6,5	796,6	1,5
LSIP	965	1.485	1.200	Buy	24,4	(20,9)	6,6	19,6x	0,8x	4,0	1,6	(1,9)	550,0	1,6

Source : Bloomberg, NHKSI Research

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