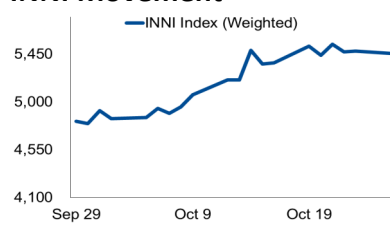


# Morning Brief

## JCI Movement



## INNI Movement



## Today's Outlook:

### Ahead of Long Holiday

US major markets fell sharply in trading (26/10/2020), triggered by the decline in transportation sector stocks. It is feared that the increase in new Covid-19 cases reported in several places will have a negative impact on economic recovery. Analysts estimate that only 3 sectors will experience growth: Technology, Health and Consumer Goods.

Meanwhile, the JCI gained sentiments from the release of financial reports of several large companies and net purchases by foreign investors. Ahead of the long holiday, JCI is expected to move within a range of support at 5,093 and resistance at 5,176.

## Company News

- UNTR : Heavy Equipment Sales Increase 41%
- ASII : Income Falls by 26.37% in Q3
- TBIG : Five Major Customers Drive Revenue Up
- WSBP : Boosts New Product Expansion

## Domestic & Global News

- Realization of Incentives for Health Workers Reaches 56.8%
- German Business Sentiment Falls on Coronavirus

## Sectors

	Last	Chg.	%
Property, Real Estate, and Construction	333,79	10,04	3,10%
Agriculture	1187,66	25,51	2,19%
Finance	1141,69	14,60	1,30%
Trade, Services, and Investment	642,24	5,73	0,90%
Basic Industries	768,21	2,58	0,34%
Infrastructure, Utilities, Transportation	814,77	2,01	0,25%
Miscellaneous Industry	952,58	0,88	0,09%
Mining	1426,61	-8,89	-0,62%
Consumer Goods	1811,57	-14,26	-0,78%

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.00%	4.00%	Real GDP	-5.32%	2.97%
FX Reserve (USD bn)	135.15	137.00	Current Acc (USD bn)	(2.90)	(8.08)
Trd Balance (USD bn)	2.44	2.33	Govt. Spending Yoy	-6.90%	3.75%
Exports Yoy	-0.51%	-8.36%	FDI (USD bn)	4.07	4.60
Imports Yoy	-18.88%	-24.19%	Business Confidence	104.82	105.33
Inflation Yoy	1.42%	1.32%	Cons. Confidence*	83.40	86.20

## JCI Index

Oct. 26	5,144.04
Chg.	+31.86pts (+0.62%)
Volume (bn shares)	118.44
Value (IDR tn)	7.01
<b>Adv 225 Dec 189 Unc 303 Untr 133</b>	

## Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BMRI	542.5	TLKM	258.6
BBCA	408.7	PGAS	199.3
BBRI	337.2	ANTM	194.0
BBNI	275.2	ASII	174.8
BRIS	271.5	MNCN	174.5

## Foreign Transaction

(IDR bn)	
Buy	1,722
Sell	1,598
Net Buy (Sell)	124

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	239.1	BBNI	79.6
BBRI	64.3	TLKM	52.7
ASII	63.7	TBIG	36.6
BBCA	56.0	FREN	29.1
PGAS	28.0	ICBP	24.3

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.62%	0.02%
USDIDR	14,650	-0.07%
KRWIDR	12.96	-0.35%

## Global Indices

Index	Last	Chg.	%
Dow Jones	27,685.38	(650.19)	-2.29%
S&P 500	3,400.97	(64.42)	-1.86%
FTSE 100	5,792.01	(68.27)	-1.16%
DAX	12,177.18	(468.57)	-3.71%
Nikkei	23,494.34	(22.25)	-0.09%
Hang Seng	24,918.78	132.65	0.54%
Shanghai	3,251.12	(26.88)	-0.82%
KOSPI	2,343.91	(16.90)	-0.72%
EIDO	18.84	(0.06)	-0.32%

## Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,902.1	0.0	0.00%
Crude Oil (USD/B)	38.56	(1.29)	-3.24%
ICE NewCastle (USD/ton)	60.90	(0.10)	-0.16%
LME Nickel (USD/MT)	15,657	(55.0)	-0.35%
LME Tin (USD/MT)	18,050	(355.0)	-1.93%
CPO (MYR/ton)	3,066	124.0	4.21%

### **UNTR : Heavy Equipment Sales Increase 41%**

PT United Tractors Tbk (UNTR) recorded an improvement in heavy equipment business performance in the third quarter of 2020. UNTR sold 148 units of Komatsu heavy equipment, increased 41% from sales data per August 2020 of 105 units. The increase in heavy equipment shipments was due to a number of activities across sectors starting again by adapting health protocols. (Kontan)

### **TBIG : Five Major Customers Drive Revenue Up**

PT Tower Bersama Infrastructure Tbk (TBIG) posted revenue of IDR3.9 trillion in the third quarter of 2020, an increase of 13.5% yoy. The increase was due to the increase in tenancy from the top five customers including PT Hutchison 3 Indonesia, up 57% yoy, PT Smartfren Telecom Tbk (FREN) up 41.5% yoy, PT Indosat Tbk (ISAT) up 13.7% yoy, PT XL Axiata Tbk (EXCL) up 7% yoy, and PT Telekomunikasi Seluler (Telkomsel) up 2.3% yoy. (Kontan)

### **ASII : Income Falls by 26.37% in Q3**

PT Astra International Tbk (ASII) until the third quarter of 2020 posted a decrease in net income of up to 26.37% yoy to IDR130.35 trillion. The automotive business experienced the deepest decline of up to 70% yoy to IDR1.8 trillion. In addition, ASII's profit attributable to the owners of the parent entity decreased to IDR14.04 trillion from IDR15.87 trillion in the third quarter of 2019. (Kontan)

### **WSBP : Boosts New Product Expansion**

PT Waskita Beton Precast Tbk (WSBP) is preparing three new products: electric poles, railroad bearings and modular precast houses. Product expansion is carried out to maintain the productivity of WSBP's factories during the pandemic. In addition, WSBP will also prepare other new products such as tetrapod, reinforced concrete pipes, rigid hardening systems (precast roads), and precast concrete poles. (Bisnis Indonesia)

## Domestic & Global News

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### **Realization of Incentives for Health Workers Reaches 56.8%**

Until October 16, the realization of health spending for health workers incentives reached IDR33.35 trillion or around 56.8% of the total budget ceiling of IDR5.90 trillion. This incentive is divided into IDR1.99 trillion for 285,906 central health workers and IDR1.35 trillion for 137,681 regional health workers. Meanwhile, the actual disbursed death benefits were still the same as before, amounting to IDR29.4 billion, equivalent to 97% of the total budget ceiling of IDR30 billion. (Kontan)

### **German Business Sentiment Falls on Coronavirus**

German business morale fell for the first time in six months in October, weighed down by companies' concerns about rising coronavirus infection rates that are making them more sceptical about the coming months, a survey showed on Monday. The Ifo institute said its business climate index fell to 92.7 from a downwardly revised 93.2 in September. A Reuters poll had foreseen a decline to 93.0. (Reuters)

# INNI Components

	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	
<b>Finance</b>						(11.1)	2,109.9								
BBCA	29,075	33,425	34,000	Buy	16.9	(6.2)	716.8	25.9x	4.2x	17.0	1.9	#N/A	N/A	(4.2)	1.1
BBRI	3,340	4,400	4,000	Buy	19.8	(21.0)	412.0	14.4x	2.2x	15.2	5.0	(2.1)	(37.2)	1.3	
BBNI	4,850	7,850	6,000	Buy	23.7	(38.0)	90.4	7.4x	0.8x	10.9	4.3	(1.5)	(41.6)	1.4	
BMRI	5,775	7,675	7,000	Buy	21.2	(17.5)	269.5	12.7x	1.5x	11.1	6.1	2.4	(30.7)	1.4	
<b>Consumer</b>						(14.2)	1,042.0								
GGRM	40,500	53,000	59,600	Buy	47.2	(25.9)	77.9	7.5x	1.4x	21.0	N/A	1.7	(10.7)	1.0	
KINO	2,940	3,430	2,950	Hold	0.3	(25.9)	4.2	15.4x	1.6x	10.7	3.7	(1.3)	(67.6)	0.9	
ICBP	9,775	11,150	12,150	Buy	24.3	(14.4)	114.0	19.5x	4.0x	22.7	2.2	4.1	31.2	0.8	
KLBF	1,545	1,620	1,870	Buy	21.0	(1.6)	72.4	27.5x	4.4x	17.0	1.3	3.8	10.3	1.0	
<b>Infrastructure</b>						(33.1)	573.40								
TLKM	2,650	3,917	3,800	Buy	43.4	(37.2)	262.5	14.1x	2.7x	19.6	5.8	(3.6)	(0.8)	1.0	
JSMR	3,590	5,175	4,550	Buy	26.7	(38.1)	26.1	20.8x	1.4x	6.9	0.4	(51.0)	(90.0)	1.4	
EXCL	2,040	3,150	3,350	Buy	64.2	(39.8)	21.8	10.0x	1.1x	11.1	1.0	6.7	526.9	1.2	
TOWR	995	805	1,310	Buy	31.7	54.3	50.8	18.9x	5.4x	31.1	2.4	21.7	30.0	0.9	
PGAS	1,105	2,170	1,400	Buy	26.7	(52.8)	26.8	90.1x	0.7x	0.8	3.8	(17.9)	(85.0)	1.7	
TBIG	1,500	1,230	1,400	Hold	(6.7)	16.7	34.0	32.8x	5.4x	20.0	1.9	13.5	22.3	1.0	
<b>Trade</b>						(19.9)	572.4								
UNTR	21,725	21,525	19,000	Hold	(12.5)	2.5	81.0	10.1x	1.4x	17.3	4.5	(29.2)	(38.2)	0.9	
MAPI	650	1,055	870	Buy	33.8	(39.3)	10.8	409.5x	2.0x	0.5	N/A	(32.2)	N/A	1.2	
ERAA	1,725	1,795	2,000	Buy	15.9	(0.9)	5.5	18.4x	1.1x	6.3	N/A	(6.3)	5.9	1.6	
<b>Property</b>						(35.3)	320.9								
CTRA	820	1,040	780	Hold	(4.9)	(30.2)	15.2	14.6x	1.0x	7.0	1.0	(10.8)	(43.8)	1.4	
WSKT	755	1,485	820	Hold	8.6	(54.4)	10.2	N/A	0.7x	(7.0)	0.5	(45.7)	N/A	1.9	
WIKA	1,215	1,990	1,410	Buy	16.0	(42.7)	10.9	6.6x	0.8x	11.3	4.2	(37.2)	(71.9)	0.8	
PTPP	930	1,585	1,250	Buy	34.4	(48.8)	5.8	9.9x	0.5x	4.9	3.6	(36.6)	(94.5)	1.8	
PWON	416	570	440	Hold	5.8	(31.8)	20.0	10.9x	1.4x	13.2	N/A	(43.7)	(64.7)	1.6	
<b>Basic Ind.</b>						(17.0)	617.6								
SMGR	9,600	12,000	11,500	Buy	19.8	(23.4)	56.9	22.6x	1.7x	8.0	0.4	(2.0)	25.6	1.3	
CPIN	5,925	6,500	6,660	Hold	12.4	(10.6)	97.2	27.4x	4.3x	17.0	1.4	(6.7)	(3.8)	1.5	
<b>Misc Ind.</b>						(21.1)	290.3								
ASII	5,400	6,925	5,575	Hold	3.2	(20.6)	218.6	11.0x	1.4x	15.9	3.4	(26.4)	(11.5)	1.3	
<b>Mining</b>						(8.7)	331.3								
TINS	835	825	1,200	Buy	43.7	(9.7)	6.2	N/A	1.3x	(21.4)	N/A	(18.5)	N/A	1.6	
PTBA	1,970	2,660	2,900	Buy	47.2	(16.2)	22.7	6.6x	1.4x	21.0	16.6	(15.1)	(38.5)	1.1	
INCO	4,130	3,640	4,500	Hold	9.0	15.0	41.0	20.5x	1.4x	7.1	N/A	23.3	N/A	1.6	
ANTM	1,060	840	1,100	Hold	3.8	11.0	25.5	N/A	1.4x	(0.5)	0.3	(36.0)	(80.2)	1.6	
ITMG	8,125	11,475	12,000	Buy	47.7	(39.7)	9.2	6.9x	0.7x	10.1	15.7	(26.9)	(50.0)	1.2	
ADRO	1,145	1,555	1,700	Buy	48.5	(15.2)	36.6	9.5x	0.7x	7.0	9.6	(23.2)	(47.7)	1.5	
MEDC	374	732	931	Buy	148.9	(36.4)	9.4	N/A	0.5x	(12.8)	N/A	(7.6)	N/A	1.6	
<b>Agriculture</b>						(12.6)	76.1								
AALI	10,550	14,575	14,200	Buy	34.6	(3.2)	20.3	29.8x	1.1x	3.6	0.9	7.6	423.9	1.5	
LSIP	965	1,485	1,200	Buy	24.4	(26.9)	6.6	19.6x	0.8x	4.0	1.6	(1.9)	550.0	1.6	

\* Target Price

Source: Bloomberg, NHKSI Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	GE	16:00	IFO Business Climate	Oct	92.7	93	93.4
26 - Oct	US	21:00	New Home Sales	Sep	959kq	1024k	1011k
<b>Tuesday</b>	EC	16:00	M3 Money Supply YoY	Sep		--	9.5%
27 - Oct	US	19:30	Durable Goods Orders	Sep		1.0%	0.5%
	US	21:00	Conf. Board Consumer Confidence	Oct		101.9	101.8
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Oct		--	-0.6%
28 - Oct	UK	-	Nationwide House PX MoM	Oct		--	0.9%
	UK	-	Nationwide House Px NSA YoY	Oct		--	5.0%
<b>Thursday</b>	GE	15:00	Unemployment Change (000's)	Oct		-7.0k	-8.0k
29 - Oct	US	19:30	Initial Jobless Claims	Oct		--	787k
	US	19:30	GDP Annualized QoQ	3Q20		32.0%	-31.4%
	EC	19:45	ECB Main Refinancing Rate	Oct		0.0%	0.0%
<b>Friday</b>	EC	17:00	GDP SA QoQ	3Q20		9.4%	-11.8%
30 - Oct	EC	17:00	GDP SA YoY	3Q20		-7.4%	-14.7%
	US	19:30	Personal Income	Sep		0.3%	-2.7%

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	RUPS	INDY
26 - Oct		
<b>Tuesday</b>	RUPS	EXCL
27 - Oct		

Source: NHKSI Research

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