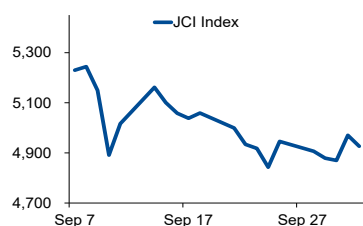


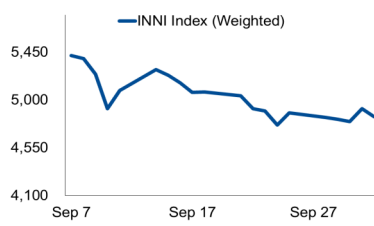
Morning Brief

Daily | 05 October, 2020

JCI Movement



INNI Movement



Today's Outlook:

Focused on Sentiments from the US

The major US markets closed lower at the end of trading last week (02/10), responding to the news that President Donald Trump was tested positive for Covid-19. The market will consider the impact of the president's health condition on the ongoing presidential election process as well as the continuation of negotiations for a new stimulus package.

After closing on a decline of -0.39% last week, the JCI movement this week will be influenced by global sentiments especially from the US. Domestically, the release of Consumer Confidence Index and Forex Reserves this week will also be factors that investors are waiting for.

Company News

- WIKA : Participates in a Tender of IDR20 Trillion
- KLBF : Transfers Shares of Subsidiaries
- WSKT : Will Pay Off IDR 2.5 Trillion Worth of Bonds
- TOWR : Completes Acquisition of EXCL Towers

Domestic & Global News

- Demand Increases, October HBA Rises to USD51 per tonne
- U.S. Factory Orders Miss Expectations; Business Spending Improving

Sectors

	Last	Chg.	%
Infrastructure, Utilities, and Transportation	806.45	18.55	-2.25%
Agriculture	1,153.17	14.52	-1.24%
Finance	1,056.14	11.29	-1.06%
Consumer Goods	1,824.39	17.02	-0.92%
Mining	1,344.25	7.28	-0.54%
Trade, Services, and Investment	628.68	3.20	-0.51%
Miscellaneous Industry	839.40	3.82	-0.45%
Property, Real Estate, and Construction	341.60	1.44	-0.42%
Basic Industries	727.91	2.25	0.31%

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)	137.00	135.10	Current Acc (USD bn)	(2.90)	(8.08)
Trd Balance (USD bn)	2.33	3.26	Govt. Spending Yoy	-6.90%	3.75%
Exports Yoy	-8.36%	-9.90%	FDI (USD bn)	4.07	4.60
Imports Yoy	-24.19%	-32.55%	Business Confidence	104.82	105.33
Inflation Yoy	1.42%	1.32%	Cons. Confidence*	86.90	86.20

JCI Index

Oct. 02	4,926.73
Chg.	-43.36pts (-0.87%)
Volume (bn shares)	94.26
Value (IDR tn)	6.07
Adv 125 Dec 300 Unc 292 Untr 142	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBRI	492.3	BRPT	225.9
TLKM	376.8	PGAS	187.1
BBCA	367.5	BRIS	155.9
MDKA	269.5	ASII	152.8
BMRI	254.7	BOGA	150.3

Foreign Transaction

(IDR bn)	
Buy	1,283
Sell	1,332
Net Buy (Sell)	48

Top Buy	NB Val.	Top Sell	NS Val.
BMRI	54.9	PGAS	37.1
ASII	32.6	MNCN	21.0
BBRI	29.6	TLKM	21.0
BULL	24.2	GGRM	19.2
TOWR	14.9	BBCA	16.0

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.92%	-0.00%
USDIDR	14,865	0.20%
KRWIDR	12.75	-0.08%

Global Indices

Index	Last	Chg.	%
Dow Jones	27,682.81	(134.09)	-0.48%
S&P 500	3,348.44	(32.36)	-0.96%
FTSE 100	5,902.12	22.67	0.39%
DAX	12,689.04	(41.73)	-0.33%
Nikkei	23,029.90	(155.22)	-0.67%
Hang Seng	23,459.05	183.52	0.79%
Shanghai	3,218.05	(6.31)	-0.20%
KOSPI	2,327.89	19.81	0.86%
EIDO	17.41	(0.29)	-1.64%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,899.8	(6.2)	-0.32%
Crude Oil (USD/B)	37.05	(1.67)	-4.31%
ICE NewCastle (USD/ton)	60.85	(1.45)	-2.33%
LME Nickel (USD/MT)	14,418	75.0	0.52%
LME Tin (USD/MT)	17,815	513.0	2.96%
CPO (MYR/ton)	2,708	(81.0)	-2.90%

WIKA : Participates in a Tender of IDR20 Trillion

PT Wijaya Karya Tbk (WIKA) is optimistic that this year's new contract target can be achieved because WIKA is currently participating in a tender worth up to IDR20 trillion with a project value of IDR2 trillion. The tender is predicted to be announced in the last three months of this year. Currently, the realization of new contracts until August 2020 is recorded at only IDR4.9 trillion, or 23% of the year-end target of IDR21.3 trillion. (Kontan)

WSKT : Will Pay Off IDR 2.5 Trillion Worth of Bonds

PT Waskita Karya Tbk (WSKT) owns 2 series of bonds which will mature on 6 and 16 October 2020. WSKT has prepared funds for the settlement of bond principal payment of around IDR2.5 trillion for each bond, the Obligasi Berkelanjutan III Waskita Karya Tahap I Tahun 2017 Seri A worth IDR1.37 trillion and Obligasi Berkelanjutan I Waskita Karya Tahap II Tahun 2015 valued at IDR1.15 trillion. (Bisnis Indonesia)

KLBF : Transfers Shares of Subsidiaries

PT Kalbe Farma Tbk (KLBF) transferred 70% shares of PT Kalbe Morinaga Indonesia to PT Sanghiang Perkasa. Sanghiang Perkasa is a company whose 99.997% shares is owned by Kalbe. The transaction value for the transfer of Kalbe Morinaga's shares amounted to IDR265.08 billion. This was done by KLBF to focus more on developing the next business. (Kontan)

TOWR : Completes Acquisition of EXCL Towers

PT Sarana Menara Nusantara Tbk (TOWR) through its subsidiary, PT Profesional Telekomunikasi Indonesia (Protelindo), has completed the acquisition of towers owned by PT XL Axiata Tbk (EXCL). Protelindo completed the transaction on September 30, 2020 by receiving the remaining 12 telecommunication towers belonging to XL Axiata. In the future, the total number of telecommunication towers agreed upon between Protelindo and XL Axiata is 1,646 towers. (Investor Daily)

Domestic & Global News

Demand Increases, October HBA Rises to USD51 per tonne

Benchmark Coal Price (HBA) in 2020 finally booked an increase of 3.2% compared to the previous month's to USD51.00 per tonne. The recovery of the Chinese industry as well as the Japanese steel and automotive industries contributed to increasing global coal demand. The increasing demand for coal in several countries raised the average monthly index of the HBA, namely ICI up 0.53%, Platt's up 0.12%, GCNC up 6.29%, and NEX up 6.01%. (Kontan)

U.S. Factory Orders Miss Expectations; Business Spending Improving

New orders for U.S.-made goods increased less than expected in August, though business spending on equipment appeared to be recovering, which likely supported the economy in the third quarter. The Commerce Department said on Friday that factory orders rose 0.7% after accelerating 6.5% in July. Economists polled by Reuters had forecast factory orders would increase 1.0% in August. (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
Finance						(13.4)	2,013.6							
BBCA	27,525	33,425	34,000	Buy	23.5	(8.9)	678.6	24.3x	4.0x	17.0	2.0	6.6	(5.0)	1.1
BBRI	3,100	4,400	4,000	Buy	29.0	(21.5)	382.4	13.4x	2.0x	15.2	5.4	(2.1)	(37.2)	1.3
BBNI	4,510	7,850	6,000	Buy	33.0	(34.4)	84.1	6.9x	0.8x	10.9	4.6	(1.5)	(41.6)	1.5
BMRI	5,200	7,675	7,000	Buy	34.6	(18.8)	242.7	10.0x	1.4x	13.3	6.8	4.1	(23.9)	1.4
Consumer						(15.3)	1,049.4							
GGRM	40,000	53,000	59,600	Buy	49.0	(19.2)	77.0	7.4x	1.4x	21.0	N/A	1.7	(10.7)	1.0
KINO	3,000	3,430	2,950	Hold	(1.7)	(20.4)	4.3	15.7x	1.6x	10.7	3.6	(1.3)	(67.6)	0.9
ICBP	10,075	11,150	12,150	Buy	20.6	(17.6)	117.5	20.1x	4.1x	22.7	2.1	4.1	31.2	0.8
KLBF	1,570	1,620	1,870	Buy	19.1	(4.8)	73.6	27.9x	4.5x	17.0	1.3	3.8	10.3	1.0
Infrastructure						(32.9)	567.53							
TLKM	2,680	3,917	3,800	Buy	41.8	(35.2)	265.5	14.3x	2.8x	19.6	5.7	(3.6)	(0.8)	1.0
JSMR	3,500	5,175	4,550	Buy	30.0	(36.9)	25.4	20.3x	1.3x	6.9	0.4	(51.0)	(90.0)	1.4
EXCL	2,100	3,150	3,350	Buy	59.5	(37.3)	22.5	10.3x	1.1x	11.1	1.0	6.7	526.9	1.1
TOWR	1,045	805	1,310	Buy	25.4	71.3	53.3	19.9x	5.7x	31.1	2.3	21.7	30.0	1.0
PGAS	920	2,170	1,400	Buy	52.2	(56.2)	22.3	74.1x	0.6x	0.8	4.5	(17.9)	(85.0)	1.6
TBIG	1,345	1,230	1,400	Hold	4.1	6.7	30.5	29.6x	5.1x	21.9	2.1	13.2	33.8	1.0
Trade						(21.0)	560.2							
UNTR	22,675	21,525	19,000	Sell	(16.2)	12.3	84.6	8.6x	1.4x	17.3	5.3	(23.4)	(28.3)	0.9
MAPI	565	1,055	870	Buy	54.0	(42.9)	9.4	356.0x	1.7x	0.5	N/A	(32.2)	N/A	1.2
ERAA	1,480	1,795	2,000	Buy	35.1	(10.6)	4.7	15.8x	1.0x	6.3	N/A	(6.3)	5.9	1.5
Property						(30.7)	328.4							
CTRA	665	1,040	780	Buy	17.3	(37.6)	12.3	11.9x	0.8x	7.0	1.2	(10.8)	(43.8)	1.5
WSKT	500	1,485	820	Buy	64.0	(67.6)	6.8	N/A	0.5x	(7.0)	0.7	(45.7)	N/A	1.8
WIKA	1,075	1,990	1,410	Buy	31.2	(42.0)	9.6	5.9x	0.7x	11.3	4.7	(37.2)	(71.9)	1.8
PTPP	805	1,585	1,250	Buy	55.3	(51.8)	5.0	8.6x	0.5x	4.9	4.2	(36.6)	(94.5)	1.8
PWON	346	570	440	Buy	27.2	(42.3)	16.7	9.1x	1.2x	13.2	N/A	(43.7)	(64.7)	1.6
Basic Ind.						(13.9)	585.2							
SMGR	9,450	12,000	11,500	Buy	21.7	(18.0)	56.1	22.3x	1.7x	8.0	0.4	(2.0)	25.6	1.3
CPIN	5,725	6,500	6,660	Buy	16.3	9.0	93.9	26.4x	4.1x	17.0	1.4	(6.7)	(3.8)	1.5
Misc Ind.						(26.2)	255.8							
ASII	4,590	6,925	5,575	Buy	21.5	(28.6)	185.8	8.0x	1.2x	15.9	4.7	(22.7)	16.1	1.3
Mining						(14.6)	312.2							
TINS	675	825	1,200	Buy	77.8	(25.8)	5.0	N/A	1.0x	(21.4)	N/A	(18.5)	N/A	1.6
PTBA	1,970	2,660	2,900	Buy	47.2	(10.5)	22.7	6.6x	1.4x	21.0	16.6	(15.1)	(38.5)	1.1
INCO	3,610	3,640	4,500	Buy	24.7	(0.6)	35.9	17.7x	1.2x	7.1	N/A	23.3	N/A	1.6
ANTM	725	840	1,100	Buy	51.7	(24.5)	17.4	N/A	1.0x	(0.5)	0.4	(36.0)	(80.2)	1.5
ITMG	8,125	11,475	12,000	Buy	47.7	(32.4)	9.2	6.8x	0.7x	10.1	15.7	(26.9)	(50.0)	1.2
ADRO	1,140	1,555	1,700	Buy	49.1	(9.9)	36.5	9.3x	0.7x	7.0	9.6	(23.2)	(47.7)	1.4
MEDC	338	732	931	Buy	175.4	(37.1)	8.5	N/A	0.4x	(12.8)	N/A	(7.6)	N/A	1.6
Agriculture						(14.5)	73.9							
AALI	10,500	14,575	14,200	Buy	35.2	(2.3)	20.2	36.1x	1.1x	3.0	0.5	6.5	796.6	1.5
LSIP	920	1,485	1,200	Buy	30.4	(23.0)	6.3	18.7x	0.7x	4.0	1.6	(1.9)	550.0	1.7

* Target Price

Source: Bloomberg, NHKSI Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	EC	15:00	Markit Eurozone Composite PMI	sep		--	50.1
<i>05 - Oct</i>	US	21:00	ISM Services Index	Sep		56.3	56.9
Tuesday	ID	-	Consumer Confidence Index	Sep		--	86.9
<i>06 - Oct</i>	GE	13:00	Factory Orders MoM	Aug		2.0%	2.8%
	UK	15:30	Markit/CIPS UK Construction PMI	Sep		--	54.6
	US	19:30	Trade Balance	Aug		USD -66.1b	USD -63.6b
Wednesday	ID	10:00	Foreign Reserves	Sep		--	\$137.00b
<i>07 - Oct</i>	GE	13:00	Industrial Production SA MoM	Aug		1.0%	1.2%
	US	18:00	MBA Mortgage Applications	Oct		--	-4.8%
Thursday	US	19:30	Initial Jobless Claims	Oct		--	837k
<i>08 - Oct</i>							
Friday	UK	13:00	Industrial Production MoM	Aug		--	5.2%
<i>09 - Oct</i>	UK	13:00	Manufacturing Production MoM	Aug		--	6.3%
	US	21:00	Wholesale Inventories MoM	Aug		--	0.5%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Right Issue	PNBS
<i>05 - Oct</i>	RUPS	ARTO
Tuesday	Cum Dividend	ASII, UNTR
<i>06 - Oct</i>		
Wednesday	Cum Dividend	AALI
<i>07 - Oct</i>	RUPS	JIHD, AMOR
Thursday	RUPS	PPRO, PPRE
<i>08 - Oct</i>		
Friday	RUPS	ENVY
<i>09 - Oct</i>		

Source: RTI Analytics

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