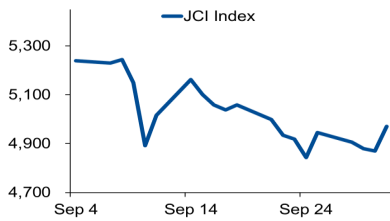


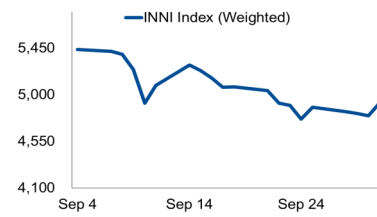
Morning Brief

Daily | 02 October, 2020

JCI Movement



INNI Movement



Today's Outlook:

JCI Retests Psychological Level

US stock market started October by continuing the previous day's upward rally. Dow Jones and S&P 500 slightly increased, while Nasdaq rose significantly. As for sectors leading the rally: Consumer Services, Technology, and Consumer Goods.

Meanwhile, the JCI also managed to increase significantly at the beginning of the month, as well as ending the three-day decline. The jump was supported by big caps shares and marked by the easing of foreign sell action. For today, JCI will try to continue the rally, and test the psychological level at 5,000.

Company News

- ADRO : Optimistic Coal Fundamental Remains Strong
- INDF : Establishes Three New Companies
- KLBF : No Plans to Produce Remdesivir
- INTP : Cement Sales Rebound in September

Domestic & Global News

- September 2020 Consumer Price Index Deflates 0.05% MoM
- UK Factories Grow for Fourth Month, Job Losses Slow

Sectors

	Last	Chg.	%
Infrastructure, Utilities, and Transportation	825.01	39.07	4.97%
Miscellaneous Industry	843.23	22.93	2.80%
Agriculture	1,167.70	30.23	2.66%
Finance	1,067.43	27.67	2.66%
Basic Industries	725.65	16.14	2.28%
Mining	1,351.53	19.51	1.46%
Property, Real Estate, and Construction	343.04	2.43	0.71%
Consumer Goods	1,841.41	12.46	0.68%
Trade, Services, and Investment	631.89	0.68	0.11%

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. 01	4,970.09
Chg.	+100.05pts (+2.05%)
Volume (bn shares)	117.37
Value (IDR tn)	7.01
Adv 295 Dec 127 Unc 295 Untr 159	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
TLKM	598.1	ZINC	177.3
BBRI	397.8	ASII	148.9
BBCA	309.5	BRIS	144.4
BMRI	199.3	BRPT	141.4
BOGA	181.2	KLBF	137.0

Foreign Transaction

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
TLKM	130.7	ASII	27.1
BBRI	55.8	PGAS	14.4
BMRI	36.7	ERAA	13.9
BULL	23.5	UNTR	11.1
BBCA	20.9	ICBP	9.3

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.93%	-0.04%
USDIDR	14,835	-0.30%
KRWIDR	12.76	0.28%

Global Indices

Index	Last	Chg.	%
Dow Jones	27,816.90	35.20	0.13%
S&P 500	3,380.80	17.80	0.53%
FTSE 100	5,879.45	13.35	0.23%
DAX	12,730.77	(29.96)	-0.23%
Nikkei	23,185.12	0.00	0.00%
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	17.70	0.43	2.49%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,906.0	20.2	1.07%
Crude Oil (USD/B)	38.72	(1.50)	-3.73%
ICE NewCastle (USD/ton)	63.25	0.35	0.56%
LME Nickel (USD/MT)	14,343	(174.0)	-1.20%
LME Tin (USD/MT)	17,302	(192.0)	-1.10%
CPO (MYR/ton)	2,789	75.0	2.76%

ADRO : Optimistic Coal Fundamental Remains Strong

PT Adaro Energy Tbk (ADRO) targets the coal production this year to be 52 - 54 million tonnes. ADRO is optimistic that the fundamentals of coal and energy sector remain strong in the long run, especially with the support of development activities in the Asian countries. ADRO also has volume contracts with consumers, the majority of which are power plants. (Kontan)

KLBF : No Plans to Produce Remdesivir

PT Kalbe Farma Tbk (KLBF) stated that the company is still in the marketing and distributing stage of Covifor or Remdesivir antiviral drugs, and have not planned on producing the antiviral drug injections with their production facilities. In addition, the sales will be aimed at hospitals, as it is only effective for Covid-19 patients in critical conditions. (Bisnis Indonesia)

INDF : Establishes Three New Companies

PT Indofood Sukses Makmur Tbk (INDF) established three new companies through one of its subsidiaries, Ocean 21 Holding Pte. Ltd. The three companies were founded under the laws of Singapore under the name Ocean Gold Pte. Ltd., Ocean Jade Pte. Ltd., and Ocean Perkasa Pte. Ltd. All of them are engaged in the shipping business. The total paid-up capital for each of these companies is USD100,000. (Kontan)

INTP : Cement Sales Rebound in September

PT Indocement Tunggul Prakarsa Tbk (INTP) gave a positive signal for cement consumption growth in the third quarter of 2020, where cement consumption in September 2020 still showed an increase on a month on month basis. On the other hand, to keep business running during this pandemic, INTP is keeping costs down while maintaining itself with strict health protocols. (Bisnis Indonesia)

Domestic & Global News

September 2020 Consumer Price Index Deflates 0.05% MoM

The Consumer Price Index (CPI) experienced deflation again in September 2020. Statistics Indonesia (BPS) noted that deflation in that month was 0.05% mom. During the third quarter of 2020, we have experienced deflation in July, August, then September. With deflation this month, it means that inflation in the calendar year was recorded at a low 0.89% ytd and the annual inflation rate was recorded at 1.42% yoy. (Kontan)

UK Factories Grow for Fourth Month, Job Losses Slow

British factory activity grew for a fourth month in a row in September, though more slowly than in August, and the sector cut the fewest jobs since before the COVID-19 lockdown, a survey showed on Thursday. The IHS Markit/CIPS manufacturing Purchasing Managers' Index (PMI) came in at 54.1. That was down a touch from a preliminary reading of 54.3 and below August's two-and-a-half-year high of 55.2, but well above the 50.0 threshold denoting growth. (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						(12.4)	2,035.2							
BBCA	27,850	33,425	34,000	Buy	22.1	(7.9)	686.6	24.6x	4.1x	17.0	2.0	6.6	(5.0)	1.1
BBRI	3,160	4,400	4,000	Buy	26.6	(19.6)	389.8	13.6x	2.1x	15.2	5.3	(2.1)	(37.2)	1.3
BBNI	4,570	7,850	6,000	Buy	31.3	(34.0)	85.2	7.0x	0.8x	10.9	4.5	(1.5)	(41.6)	1.5
BMRI	5,200	7,675	7,000	Buy	34.6	(20.3)	242.7	10.0x	1.4x	13.3	6.8	4.1	(23.9)	1.4
Consumer						(15.2)	1,059.2							
GGRM	40,450	53,000	59,600	Buy	47.3	(20.5)	77.8	7.5x	1.4x	21.0	N/A	1.7	(10.7)	1.0
KINO	3,050	3,430	2,950	Hold	(3.3)	(10.8)	4.4	16.0x	1.7x	10.7	3.5	(1.3)	(67.6)	0.9
ICBP	10,150	11,150	12,150	Buy	19.7	(16.8)	118.4	20.3x	4.1x	22.7	2.1	4.1	31.2	0.8
KLBF	1,610	1,620	1,870	Buy	16.1	(3.6)	75.5	28.6x	4.6x	17.0	1.2	3.8	10.3	1.0
Infrastructure						(31.3)	580.59							
TLKM	2,750	3,917	3,800	Buy	38.2	(33.6)	272.4	14.7x	2.8x	19.6	5.6	(3.6)	(0.8)	1.0
JSMR	3,630	5,175	4,550	Buy	25.3	(34.9)	26.3	21.0x	1.4x	6.9	0.4	(51.0)	(90.0)	1.4
EXCL	2,200	3,150	3,350	Buy	52.3	(36.2)	23.6	10.8x	1.1x	11.1	0.9	6.7	526.9	1.1
TOWR	1,060	805	1,310	Buy	23.6	71.0	54.1	20.1x	5.8x	31.1	2.3	21.7	30.0	1.0
PGAS	955	2,170	1,400	Buy	46.6	(53.6)	23.2	76.8x	0.6x	0.8	4.4	(17.9)	(85.0)	1.6
TBIG	1,385	1,230	1,400	Hold	1.1	10.8	31.4	30.5x	5.3x	21.9	2.0	13.2	33.8	1.0
Trade						(20.1)	563.0							
UNTR	22,775	21,525	19,000	Sell	(16.6)	12.7	85.0	8.7x	1.4x	17.3	5.3	(23.4)	(28.3)	0.9
MAPI	580	1,055	870	Buy	50.0	(40.5)	9.6	365.4x	1.8x	0.5	N/A	(32.2)	N/A	1.2
ERAA	1,520	1,795	2,000	Buy	31.6	(11.1)	4.8	16.2x	1.0x	6.3	N/A	(6.3)	5.9	1.5
Property						(29.9)	329.8							
CTRA	675	1,040	780	Buy	15.6	(35.4)	12.5	12.0x	0.8x	7.0	1.2	(10.8)	(43.8)	1.5
WSKT	510	1,485	820	Buy	60.8	(66.9)	6.9	N/A	0.5x	(7.0)	0.7	(45.7)	N/A	1.8
WIKA	1,120	1,990	1,410	Buy	25.9	(40.4)	10.0	6.1x	0.7x	11.3	4.5	(37.2)	(71.9)	1.8
PTPP	840	1,585	1,250	Buy	48.8	(48.8)	5.2	8.9x	0.5x	4.9	4.0	(36.6)	(94.5)	1.8
PWON	354	570	440	Buy	24.3	(42.4)	17.0	9.3x	1.2x	13.2	N/A	(43.7)	(64.7)	1.6
Basic Ind.						(13.2)	583.4							
SMGR	9,575	12,000	11,500	Buy	20.1	(12.6)	56.8	22.6x	1.7x	8.0	0.4	(2.0)	25.6	1.3
CPIN	5,800	6,500	6,660	Hold	14.8	12.6	95.1	26.8x	4.2x	17.0	1.4	(6.7)	(3.8)	1.5
Misc Ind.						(26.6)	257.0							
ASII	4,610	6,925	5,575	Buy	20.9	(28.5)	186.6	8.0x	1.2x	15.9	4.6	(22.7)	16.1	1.3
Mining						(13.1)	313.9							
TINS	700	825	1,200	Buy	71.4	(22.2)	5.2	N/A	1.1x	(21.4)	N/A	(18.5)	N/A	1.6
PTBA	2,000	2,660	2,900	Buy	45.0	(10.7)	23.0	6.7x	1.4x	21.0	16.3	(15.1)	(38.5)	1.1
INCO	3,640	3,640	4,500	Buy	23.6	9.3	36.2	17.8x	1.2x	7.1	N/A	23.3	N/A	1.6
ANTM	735	840	1,100	Buy	49.7	(20.1)	17.7	N/A	1.0x	(0.5)	0.4	(36.0)	(80.2)	1.5
ITMG	8,200	11,475	12,000	Buy	46.3	(32.5)	9.3	6.8x	0.7x	10.1	15.5	(26.9)	(50.0)	1.2
ADRO	1,180	1,555	1,700	Buy	44.1	(7.1)	37.7	9.7x	0.7x	7.0	9.3	(23.2)	(47.7)	1.4
MEDC	354	732	931	Buy	163.0	(34.7)	8.9	N/A	0.4x	(6.2)	N/A	2.0	N/A	1.6
Agriculture						(14.2)	74.8							
AALI	10,675	14,575	14,200	Buy	33.0	(2.7)	20.5	36.7x	1.1x	3.0	0.5	6.5	796.6	1.5
LSIP	955	1,485	1,200	Buy	25.7	(21.7)	6.5	19.4x	0.8x	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
Tuesday 29 - Sep	US	21:00	Conf. Board Consumer Confidence	Sep	101.8	90	84.8
Wednesday 30 - Sep	CH	08:00	Manufacturing PMI	Sep	51.5	51.3	51
	UK	13:00	GDP QoQ	2Q20	-19.8	-20.4%	-20.4%
	UK	13:00	GDP YoY	2Q20	-21.5	-21.7%	-21.7%
	US	18:00	MBA Mortgage Applications	Sep	-4.8%	--	6.8%
	US	19:30	GDP Annualized QoQ	2Q20	-31.4%	-31.6%	-31.7%
Thursday 01 - Oct	ID	07:30	Markit Indonesia PMI Mfg	Sep	47.2	--	50.8
	ID	11:00	CPI YoY	Sep	1.42%	1.40%	1.32%
	EC	15:00	Markit Eurozone Manufacturing PMI	Sep	53.7	53.7	53.7
	UK	15:30	Markit UK PMI Manufacturing SA	Sep	54.1	54.3	54.3
	US	19:30	Initial Jobless Claims	Sep	837k	850k	870k
	US	20:45	Markit US Manufacturing PMI	Sep	53.2	53.5	53.5
Friday 02 - Oct	US	19:30	Unemployment Rate	Sep		8.2%	8.4%
	US	21:00	U. of Mich. Sentiment	Sep		79	78.9
	US	21:00	Durable Goods Orders	Aug		--	0.4%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday 28 - Sep	Cum Dividend	HEXA
Wednesday 30 - Sep	RUPS	TOPS, GLOB, BBYB, AISA
Friday 02 - Oct	RUPS	MBTO, KOBX, JSKY, BEKS

Source: RTI Analytics

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