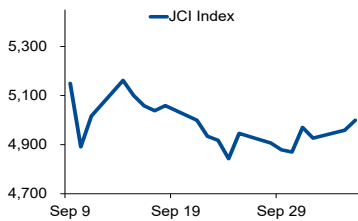
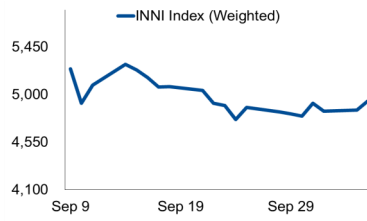


Morning Brief

JCI Movement



INNI Movement



Today's Outlook:

US Stimulus Package Negotiation Postponed

The major markets in the US closed lower each by more than 1% at trading closing (06/10/2020). Although they rallied throughout the session, the markets reversed course ahead of closing after President Donald Trump decided to postpone negotiations on a fiscal stimulus package between the Government and the Congress until after the election.

The delay in US stimulus is expected to have adverse effect for the stock markets, including in Indonesia. Meanwhile, investors will be waiting for the release of forex reserves data, as well as the development of demonstrations after the ratification of the omnibus law in several regions. After closing slightly under the psychological level of 5000 yesterday, the movement of JCI today has the opportunity to decline.

Company News

- ADHI : Issues Bonds worth IDR2 Trillion
- MIKA : Complies with the PCR Test Maximum Price Regulation
- KAEF : Plans to Use PMN Fund Next Year
- SMGR : Alternative Fuel from Domestic Waste

Domestic & Global News

- Consumer Confidence Declines in September 2020
- U.S. Raises China Concerns Over Israel's Sale of Largest Seaport

Sectors

	Last	Chg.	%
Finance	1,086.36	17.61	1.65%
Miscellaneous Industry	845.08	10.42	1.25%
Infrastructure, Utilities, and Transportation	811.87	9.18	1.14%
Trade, Services, and Investment	633.08	4.20	0.67%
Basic Industries	739.64	4.26	0.63%
Mining	1,343.78	6.54	0.49%
Agriculture	1,151.00	1.62	0.14%
Consumer Goods	1,884.62	4.04	-0.22%
Property, Real Estate, and Construction	338.35	2.75	-0.81%

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*	83.40	86.20

JCI Index

Oct. 06	4,999.22
Chg.	+40.45pts (+0.82%)
Volume (bn shares)	123.37
Value (IDR tn)	7.08
Adv 281 Dec 129 Unc 307 Untr 139	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBCA	805.8	BRIS	220.9
TLKM	397.2	PGAS	182.1
BBRI	388.2	MNCN	171.4
BMRI	245.3	BOGA	137.0
BBNI	229.8	BRPT	113.2

Foreign Transaction

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBCA	805.8	BRIS	220.9
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BMRI	245.3	BOGA	137.0
BBNI	229.8	BRPT	113.2

(IDR bn)			
Foreign Transaction			
		Buy	Sell
Buy		1,884	
Sell			2,148
Net Buy (Sell)			263

(IDR bn)			
Foreign Transaction			
Top Buy	NB Val.	Top Sell	NS Val.
BBCA	159.3	TLKM	94.9
BMRI	42.0	BBRI	53.2
MNCN	27.5	PTPP	21.4
DMAS	8.2	BBNI	17.6
ERAA	3.3	ANTM	16.5

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.90%	-0.01%
USDIDR	14,735	-0.44%
KRWIDR	12.68	-0.39%

Global Indices

Index	Last	Chg.	%
Dow Jones	27,772.76	(375.88)	-1.34%
S&P 500	3,360.95	(47.68)	-1.40%
FTSE 100	5,949.94	7.00	0.12%
DAX	12,906.02	77.71	0.61%
Nikkei	23,433.73	121.59	0.52%
Hang Seng	23,980.65	212.87	0.90%
Shanghai	3,218.05	(6.31)	-0.20%
KOSPI	2,365.90	7.90	0.34%
EIDO	17.99	0.10	0.56%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,878.2	(35.4)	-1.85%
Crude Oil (USD/B)	40.67	1.45	3.70%
ICE NewCastle (USD/ton)	64.40	0.50	0.78%
LME Nickel (USD/MT)	14,520	(124.0)	-0.85%
LME Tin (USD/MT)	18,180	110.0	0.61%
CPO (MYR/ton)	2,818	97.0	3.56%

ADHI : Issues Bonds worth IDR2 Trillion

PT Adhi Karya Tbk (ADHI) plans to issue bonds worth IDR2 trillion in the fourth quarter of 2020. The bonds will be used to finance investment projects, refinancing and working capital and are currently in the process of obtaining a permit from the Financial Services Authority (OJK). ADHI is also optimistic that the rating will remain stable during the Covid-19 pandemic, Adhi Karya's bonds will be absorbed by the market. (Kontan)

KAEF : Plans to Use PMN Fund Next Year

PT Kimia Farma Tbk (KAEF) revealed plans related to the use of State Equity Participation (PMN) funds that will be obtained next year. The IDR256 billion funds will be used to procure domestic drug production facilities and add KAEF raw materials. On the other hand, KAEF plans to collaborate with PT Pertamina (Persero) in the manufacture of raw materials for paracetamol. (Bisnis Indonesia)

MIKA : Complies with the PCR Test Price Regulation

PT Mitra Keluarga Karyasehat Tbk (MIKA) will comply with the rules regarding the maximum pricing at IDR900,000 for swab test or PCR test. This will be a challenge for MIKA because the limit will reduce the margins taken through the PCR test service. The maximum PCR test rate will likely affect the length of time the test results will be received by the customer. (Kontan)

SMGR : Alternative Fuel from Waste

PT Semen Indonesia Tbk (SMGR) utilizes alternative energy as fuel to achieve sustainable development. Through PT Solusi Bangun Indonesia Tbk (SMCB), which collaborates with the DKI Jakarta Provincial Environmental Agency (DLH) and PT Unilever Indonesia Tbk (UNVR) in the management and utilization of domestic waste at the Bantargebang Integrated Waste Disposal Site (TPST) to become an alternative fuel in the form of Refused Derived Fuel (RDF). This cooperation was signed on September 30. (Kontan)

Domestic & Global News

Consumer Confidence Declines in September 2020

The U.S. is working to find American bidders for Israel's largest port to counter China's clout in the Middle East, adding drama to a deal that's drawn interest from regional heavyweights including the UAE and Turkey, according to people familiar with the matter. Expressions of interest for the asset worth as much as 2 billion shekels (\$586 million) are due in late October, and the U.S., already unnerved by China's operation of a port in the same city of Haifa, doesn't want to miss out on another strategic facility. (Bloomberg)

U.S. Raises China Concerns Over Israel's Sale of Largest Seaport

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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						(10.4)	2,071.3							
BBCA	28,500	33,425	34,000	Buy	19.3	(6.1)	702.7	25.1x	4.2x	17.0	1.9	6.6	(5.0)	1.1
BBRI	3,190	4,400	4,000	Buy	25.4	(18.2)	393.5	13.8x	2.1x	15.2	5.3	(2.1)	(37.2)	1.3
BBNI	4,670	7,850	6,000	Buy	28.5	(30.0)	87.1	7.1x	0.8x	10.9	4.4	(1.5)	(41.6)	1.5
BMRI	5,500	7,675	7,000	Buy	27.3	(13.4)	256.7	10.6x	1.4x	13.3	6.4	4.1	(23.9)	1.4
Consumer						(13.0)	1,061.1							
GGRM	41,800	53,000	59,600	Buy	42.6	(15.4)	80.4	7.7x	1.5x	21.0	N/A	1.7	(10.7)	0.9
KINO	3,000	3,430	2,950	Hold	(1.7)	(23.9)	4.3	15.7x	1.6x	10.7	3.6	(1.3)	(67.6)	0.9
ICBP	10,100	11,150	12,150	Buy	20.3	(17.7)	117.8	20.2x	4.1x	22.7	2.1	4.1	31.2	0.8
KLBF	1,565	1,620	1,870	Buy	19.5	(4.0)	73.4	27.8x	4.5x	17.0	1.3	3.8	10.3	1.0
Infrastructure						(31.7)	571.35							
TLKM	2,650	3,917	3,800	Buy	43.4	(34.6)	262.5	14.1x	2.7x	19.6	5.8	(3.6)	(0.8)	1.0
JSMR	3,720	5,175	4,550	Buy	22.3	(33.6)	27.0	21.5x	1.4x	6.9	0.4	(51.0)	(90.0)	1.4
EXCL	2,120	3,150	3,350	Buy	58.0	(36.7)	22.7	10.4x	1.1x	11.1	0.9	6.7	526.9	1.1
TOWR	1,035	805	1,310	Buy	26.6	68.3	52.8	19.7x	5.6x	31.1	2.3	21.7	30.0	1.0
PGAS	970	2,170	1,400	Buy	44.3	(52.7)	23.5	78.6x	0.6x	0.8	4.3	(17.9)	(85.0)	1.6
TBIG	1,360	1,230	1,400	Hold	2.9	7.9	30.8	29.9x	5.2x	21.9	2.1	13.2	33.8	1.0
Trade						(20.1)	564.1							
UNTR	22,625	21,525	19,000	Sell	(16.0)	10.9	84.4	8.6x	1.4x	17.3	4.3	(23.4)	(28.3)	0.9
MAPI	600	1,055	870	Buy	45.0	(38.1)	10.0	378.0x	1.8x	0.5	N/A	(32.2)	N/A	1.2
ERAA	1,545	1,795	2,000	Buy	29.4	1.6	4.9	16.5x	1.0x	6.3	N/A	(6.3)	5.9	1.5
Property						(30.8)	325.3							
CTRA	695	1,040	780	Hold	12.2	(34.7)	12.9	12.4x	0.9x	7.0	1.2	(10.8)	(43.8)	1.5
WSKT	540	1,485	820	Buy	51.9	(63.9)	7.3	N/A	0.5x	(7.0)	0.6	(45.7)	N/A	1.8
WIKA	1,175	1,990	1,410	Buy	20.0	(35.4)	10.5	6.4x	0.8x	11.3	4.3	(37.2)	(71.9)	1.8
PTPP	865	1,585	1,250	Buy	44.5	(46.3)	5.4	9.2x	0.5x	4.9	3.9	(36.6)	(94.5)	1.8
PWON	352	570	440	Buy	25.0	(39.3)	17.0	9.2x	1.2x	13.2	N/A	(43.7)	(64.7)	1.6
Basic Ind.						(10.2)	594.6							
SMGR	9,425	12,000	11,500	Buy	22.0	(16.6)	55.9	22.2x	1.7x	8.0	0.4	(2.0)	25.6	1.3
CPIN	5,725	6,500	6,660	Buy	16.3	12.3	93.9	26.4x	4.1x	17.0	1.4	(6.7)	(3.8)	1.5
Misc Ind.						(24.8)	257.6							
ASII	4,620	6,925	5,575	Buy	20.7	(27.0)	187.0	8.0x	1.2x	15.9	4.0	(22.7)	16.1	1.3
Mining						(14.4)	312.1							
TINS	705	825	1,200	Buy	70.2	(21.7)	5.3	N/A	1.1x	(21.4)	N/A	(18.5)	N/A	1.6
PTBA	1,970	2,660	2,900	Buy	47.2	(8.4)	22.7	6.6x	1.4x	21.0	16.6	(15.1)	(38.5)	1.1
INCO	3,620	3,640	4,500	Buy	24.3	-	36.0	17.8x	1.2x	7.1	N/A	23.3	N/A	1.6
ANTM	720	840	1,100	Buy	52.8	(24.6)	17.3	N/A	1.0x	(0.5)	0.4	(36.0)	(80.2)	1.5
ITMG	8,125	11,475	12,000	Buy	47.7	(32.9)	9.2	6.8x	0.7x	10.1	15.7	(26.9)	(50.0)	1.2
ADRO	1,125	1,555	1,700	Buy	51.1	(10.0)	36.0	9.3x	0.7x	7.0	9.7	(23.2)	(47.7)	1.4
MEDC	356	732	931	Buy	161.5	(34.8)	8.9	N/A	0.5x	(12.8)	N/A	(7.6)	N/A	1.6
Agriculture						(14.5)	73.7							
AALI	10,425	14,575	14,200	Buy	36.2	(2.8)	20.1	35.9x	1.1x	3.0	0.5	6.5	796.6	1.5
LSIP	915	1,485	1,200	Buy	31.1	(23.1)	6.2	18.6x	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	50.4	50.1	50.1
<i>05 - Oct</i>	US	21:00	ISM Services Index	Sep	57.8	56.3	56.9
Tuesday	ID	-	Consumer Confidence Index	Sep	83.4	--	86.9
<i>06 - Oct</i>	GE	13:00	Factory Orders MoM	Aug	4.5%	2.8%	2.8%
	UK	15:30	Markit/CIPS UK Construction PMI	Sep	56.8	54.0	54.6
	US	19:30	Trade Balance	Aug	USD -67.1b	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

Research Division

Head of Research

Anggaraksa Arismunandar

Market Strategy, Economy, Misc. Industry
T +62 21 5088 ext. 9134
E anggaraksa@nhsec.co.id

Analyst

Ajeng Kartika Hapsari

Property, Construction
T +62 21 5088 ext 9130
E ajeng@nhsec.co.id

Analyst

Arief Machrus

Banking, Fixed Income
T +62 21 5088 ext 9127
E arief.machrus@nhsec.co.id

Analyst

Meilki Darmawan

Mining, Plantation
T +62 21 5088 ext 9128
E meilki.darmawan@nhsec.co.id

Analyst

Putu Chantika

Consumer, Retail
T +62 21 5088 ext 9129
E putu.chantika@nhsec.co.id

Analyst

Restu Pamungkas

Telco, Tower, Toll road
T +62 21 5088 ext 9133
E restu.pamungkas@nhsec.co.id

Research Support

Jasmine Kusumawardani

T +62 21 5088 ext 9132
E jasmine.kusumawardani@nhsec.co.id

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st
Fl. Unit A, SCBD Lot.28
Jl. Jendral Sudirman Kav. 52-53
Jakarta Selatan 12190
Telp : +62 21 50889100
Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

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