

Weekly Brief (Oct 05 – 09)

Summary:

Last week review: The release of economic data, which largely below expectation, such as deflation and declining PMI Manufacture pressured IHSG to return to the red zone. Meanwhile, foreign investors still continue to book net sell throughout the past week.

This week's outlook: This week, investors will pay close attention to the release of IKK and Indonesian Foreign Reserves data to gain a clearer picture regarding the economic condition. The retightening of PSBB in DKI Jakarta is predicted to again lower the IKK level. Meanwhile, the high foreign exchange reserves is expected to support the stability of monetary system in entering recession.

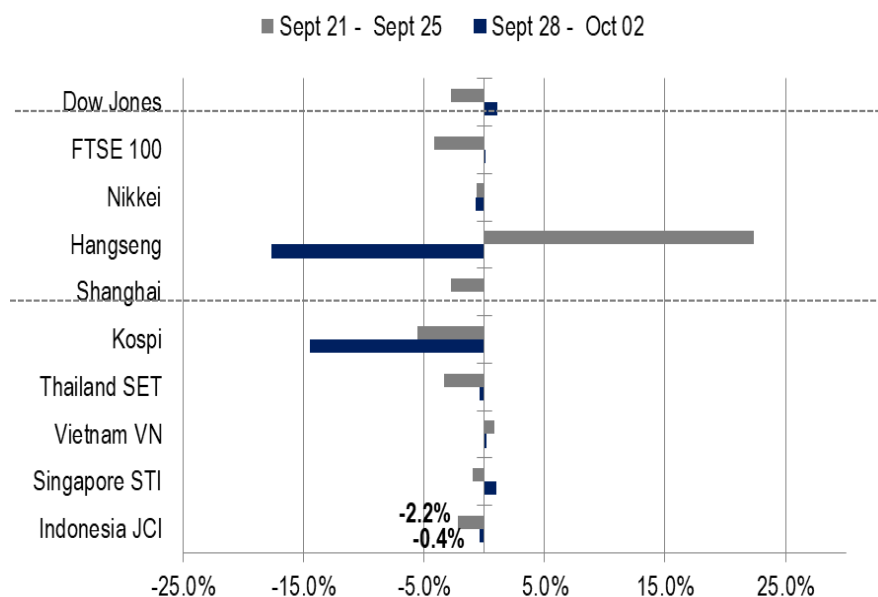
Last Week's JCI Movement

•JCI Index	: 4,926.73 (-0.4%)
Foreign Flow	: Net sell of IDR1.4 trillion (vs. last week's net sell of IDR2.5 trillion)
USD/IDR	: 14,865 (+0.05%)

JCI Closed Lower

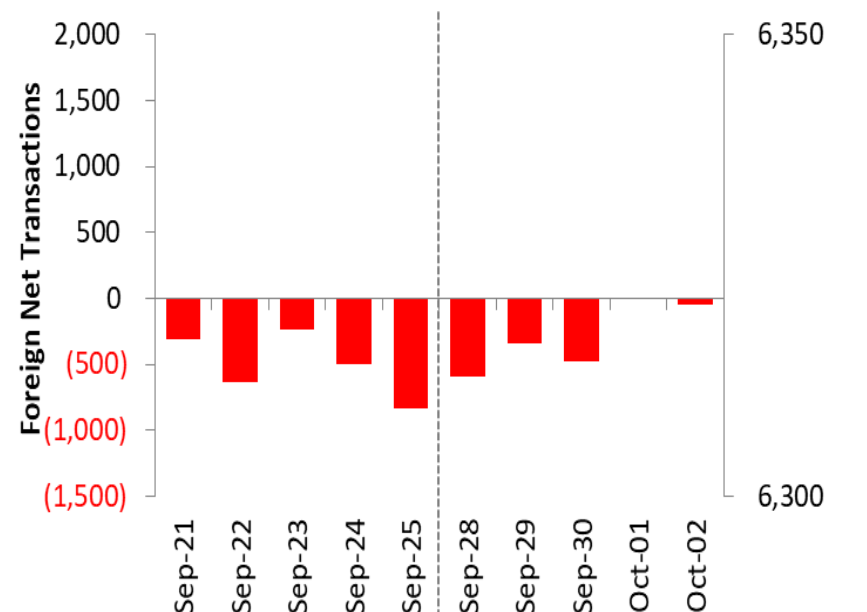
- 1 October - BPS booked deflation of 0.05% in September 2020 with the calendar year inflation rate of 0.89% and YoY inflation of 1.42%. Meanwhile, PMI data from IHS showed a decline at level 50.8 in August to 47.2 in September 2020. However, JCI closed higher for the first time after three days in a row of booking a decline.
- 2 October - After managing to increase significantly by 2% on the previous day, JCI once again closed lower by 0.87%.

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

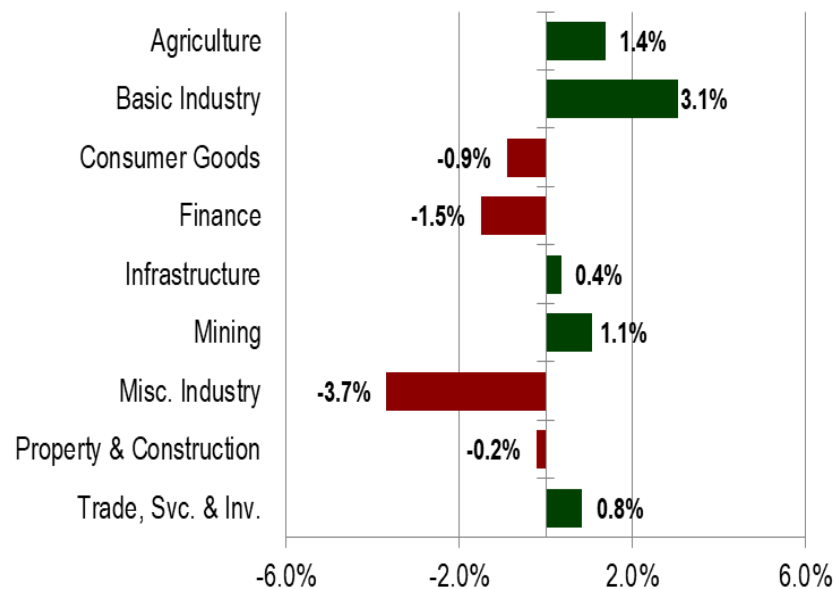
- Basic Industry Sector**

The basic industry sector booked an upward rally of 3.1% throughout the past week. It was supported by TPIA which increased by 4.8% and BRPT by 25.1%. Both shares own the biggest market caps in the sector.

- Misc. Industry Sector**

Throughout the past week, the miscellaneous industry booked the biggest decline of 3.7%, pressured by ASII which dove by 5.5%. As a record, ASII decided to distribute interim dividends for shareholders for the financial year ending in 31 December 2020, at IDR27 per share.

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy	NB Val.	Top Sell	NS Val.
BULL	117.5	TLKM	-310.7
TOWR	57.6	BBRI	-284.8
MDKA	38.1	BMRI	-226.3
INKP	32.0	BBCA	-196.1
BTPS	19.5	ASII	-109.9

Source: NHKSI Research

Outlook This Week

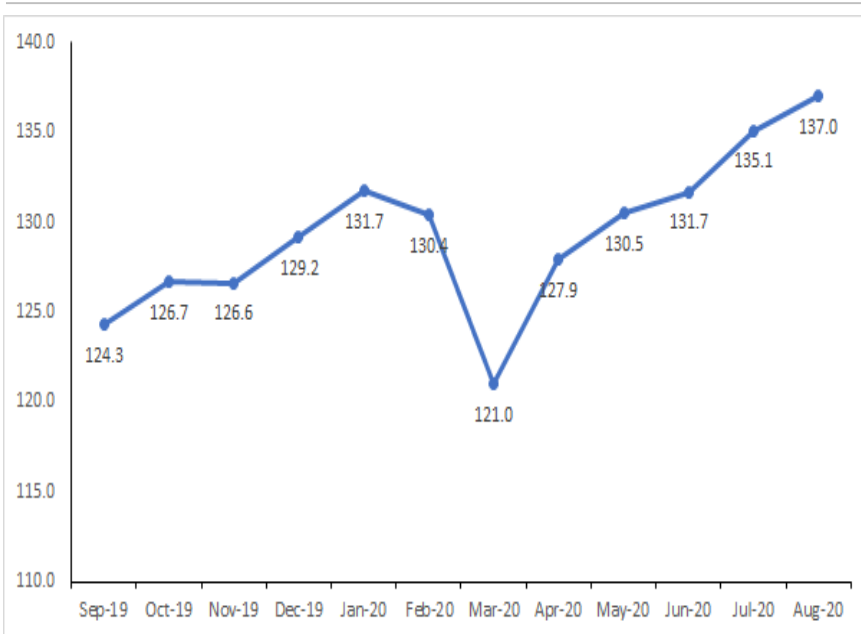
- **Indonesian Forex Reserves Data Release**

On August 2020, Indonesia booked a new record of Forex Reserves amounting to USD 137 billion. The amount is equal to 9 months of imports value, or far exceeding the international standard at the level of 3 months import. Factors causing this new record are: the issuance of global bond and drawdown of government debt. This liquidity is expected to maintain the stability of monetary system, especially entering the fourth quarter of 2020 where Indonesia will be in recession.

- **Release of Consumer Confidence Index (IKK)**

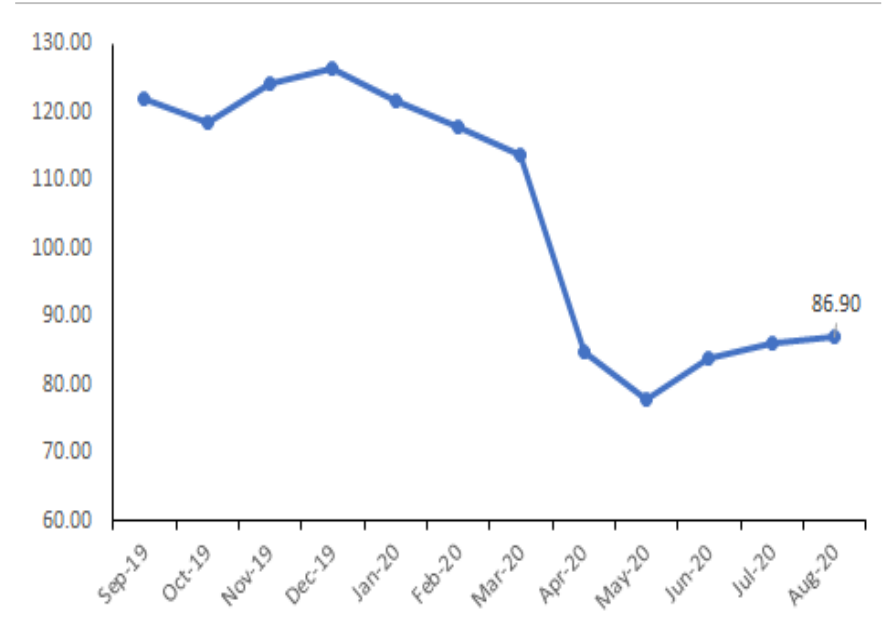
Indonesian Consumer Confidence Index (IKK) has been on an uptrend since reaching its low level in May. In August 2020, IKK is at level 86.9 along with the recovery of consumer sentiments regarding household income, business prospects and purchasing level of consumer goods. However, the retightening of PSBB in September and the certainty that Indonesia will enter recession zone in Q3/2020, will potentially lower the IKK level in the short term and further away from the optimistic level at 100.

Indonesia Foreign Reserves (USD Billion)



Source: Bloomberg, NHKSI Research

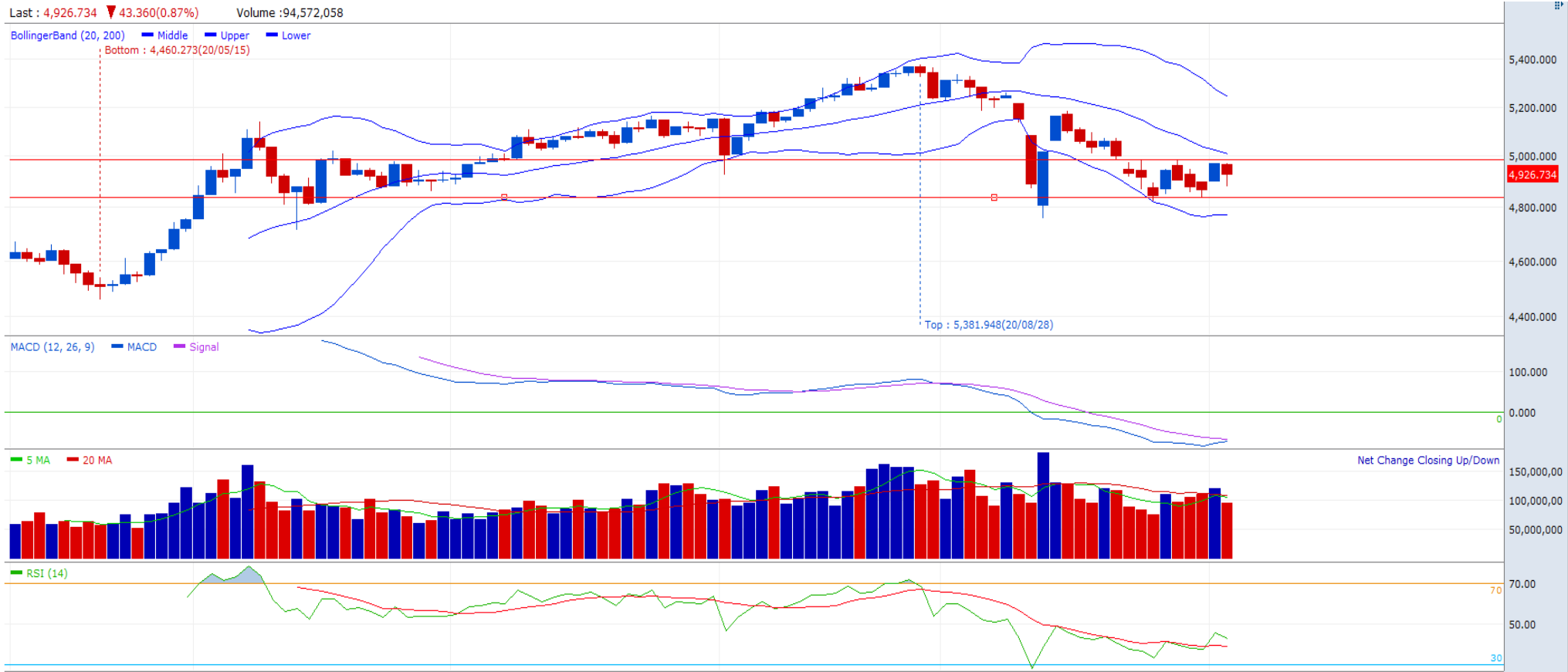
Consumer Confidence Index (CCI)



Source: Bloomberg, NHKSI Research

JCI Index

Open	4969,245	Middle	5007,154	MACD	-70,947	Support	4830
High	4972,823	Upper Limit	5242,066	RSI	42,88	Resistance	4980
Low	4881,913	Lower Limit	4772,242	SIGNAL	65,47		
Close	4926,734						



Source: NHKSI Research

Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 05-Oct	EC	15:00	Markit Eurozone Composite PMI	sep	--	50.1
	US	21:00	ISM Services Index	Sep	56.3	56.9
Tuesday, 06-Oct	ID	-	Consumer Confidence Index	Sep	--	86.9
	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, 07-Oct	ID	10:00	Foreign Reserves	Sep	--	\$137.00b
	GE	13:00	Industrial Production SA MoM	Aug	1.0%	1.2%
	US	18:00	MBA Mortgage Applications	Oct	--	-4.8%
Thursday, 08-Oct	US	19:30	Initial Jobless Claims	Oct	--	837k
Friday, 09-Oct	UK	13:00	Industrial Production MoM	Aug	--	5.2%
	UK	13:00	Manufacturing Production MoM	Aug	--	6.3%
Source: Bloomberg	US	21:00	Wholesale Inventories MoM	Aug	--	0.5%

Corporate Action Calendar

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

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						(13.3)	2,035.2							
BBCA	27,525	33,425	34,000	Buy	23.5	(9.0)	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	(21.1)	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	(34.9)	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	(20.3)	242.7	10.0x	1.4x	13.3	6.8	4.1	(23.9)	1.4
Consumer						(16.0)	1,059.2							
GGRM	40,000	53,000	59,600	Buy	49.0	(21.3)	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)	(12.3)	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	(17.4)	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	(6.0)	73.6	27.9x	4.5x	17.0	1.3	3.8	10.3	1.0
Infrastructure						(32.9)	580.59							
TLKM	2,680	3,917	3,800	Buy	41.8	(35.3)	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	(37.2)	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	(39.1)	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	68.5	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	(55.3)	22.3	73.9x	0.6x	0.8	4.5	(17.9)	(85.0)	1.6
TBIG	1,345	1,230	1,400	Hold	4.1	7.6	30.5	29.6x	5.1x	21.9	2.1	13.2	33.8	1.0
Trade						(20.5)	563.0							
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	(42.1)	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	(13.5)	4.7	15.8x	1.0x	6.3	N/A	(6.3)	5.9	1.5
Property						(30.2)	329.8							
CTRA	665	1,040	780	Buy	17.3	(36.4)	12.3	11.9x	0.8x	7.0	1.2	(10.8)	(43.8)	1.5
WSKT	500	1,485	820	Buy	64.0	(67.5)	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	(42.8)	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	(50.9)	5.0	8.6x	0.5x	4.9	4.2	(36.6)	(94.5)	1.8
PWON	346	570	440	Buy	27.2	(43.7)	16.7	9.1x	1.2x	13.2	N/A	(43.7)	(64.7)	1.6
Basic Ind.						(13.0)	583.4							
SMGR	9,450	12,000	11,500	Buy	21.7	(13.7)	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	11.2	93.9	26.4x	4.1x	17.0	1.4	(6.7)	(3.8)	1.5
Misc Ind.						(26.9)	257.0							
ASII	4,590	6,925	5,575	Buy	21.5	(28.8)	185.8	8.0x	1.2x	15.9	4.7	(22.7)	16.1	1.3
Mining						(13.5)	313.9							
TINS	675	825	1,200	Buy	77.8	(25.0)	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	(12.1)	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	8.4	35.9	17.6x	1.2x	7.1	N/A	23.3	N/A	1.6
ANTM	725	840	1,100	Buy	51.7	(21.2)	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	(33.1)	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	(10.2)	36.5	9.3x	0.7x	7.0	9.6	(23.2)	(47.7)	1.4
MEDC	338	732	931	Buy	175.4	(37.6)	8.5	N/A	0.4x	(6.2)	N/A	2.0	N/A	1.6
Agriculture						(15.3)	74.8							
AALI	10,500	14,575	14,200	Buy	35.2	(4.3)	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	(24.6)	6.3	18.7x	0.7x	4.0	1.6	(1.9)	550.0	1.7

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