

Weekly Brief (Oct 19th – Oct 23th)

Summary:

Last week review: Most of the sentiments influencing the JCI came from domestic such as BI's decision to maintain the benchmark interest rate, trade balance surplus, and the announcement of plans to merge SOE Sharia banks. For the past week, JCI was in the green zone with smaller foreign capital outflow..

This week's outlook: This week, investors are paying close attention to the release of China's Q3/2020 GDP data. As the second biggest economy, China is one of the most important trading partners for Indonesia. Its success in handling the Covid-19 pandemic pushes the country to a relatively fast economic recovery.

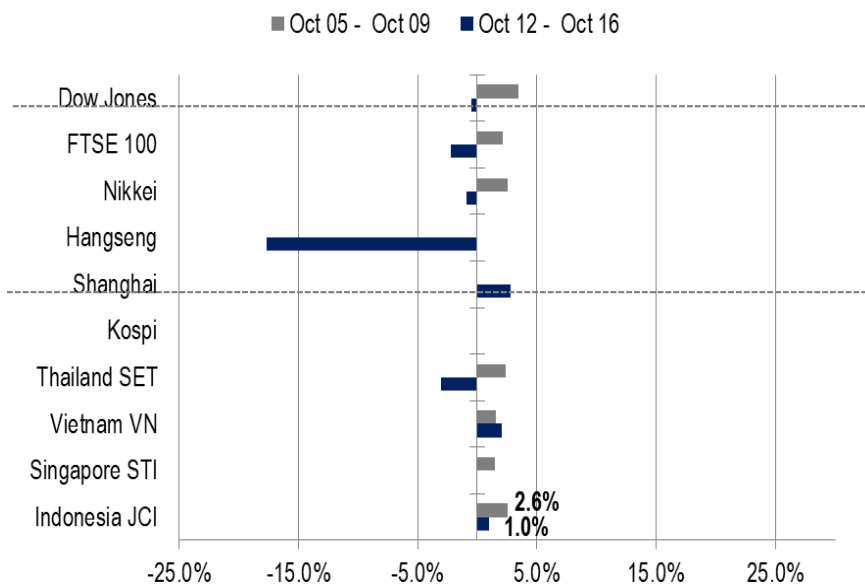
Last Week's JCI Movement

• JCI Index : 5,103.41 (+1.0%)
 Foreign Flow : Net sell of IDR592 billion (vs. last week's net sell of IDR2.3 trillion)
 USD/IDR : 14,698 (-0.01%)

JCI Closed Higher

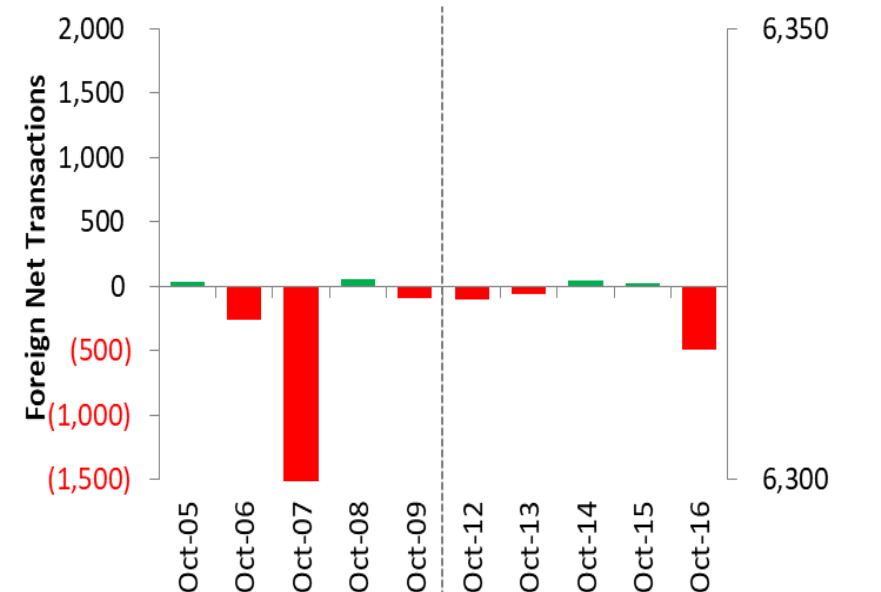
- 12 October - JCI closed higher as transitional PSBB is reinforced in DKI Jakarta starting from 12 to 25 October 2020.
- 13 October - JCI continued rally after the Bank Indonesia Board of Governors meeting decided to maintain the BI 7DRRR benchmark interest rate at 4% in October 2020, and the benchmark deposit facility and lending facility rates each at level 3.25% and 4.75%. Meanwhile, JCI's surge was also the result of merger plan announcement of Islamic SOE banks, PT BRI Syariah Tbk (BRIS), PT BNI Syariah and PT Bank Syariah Mandiri.
- 15 October - JCI reversed to the red zone amid the release of September 2020 trade balance data that recorded a surplus of USD2.44 billion. The surplus was due the export value in September which recorded at USD14.01 billion, while the import was USD11.57 billion.

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

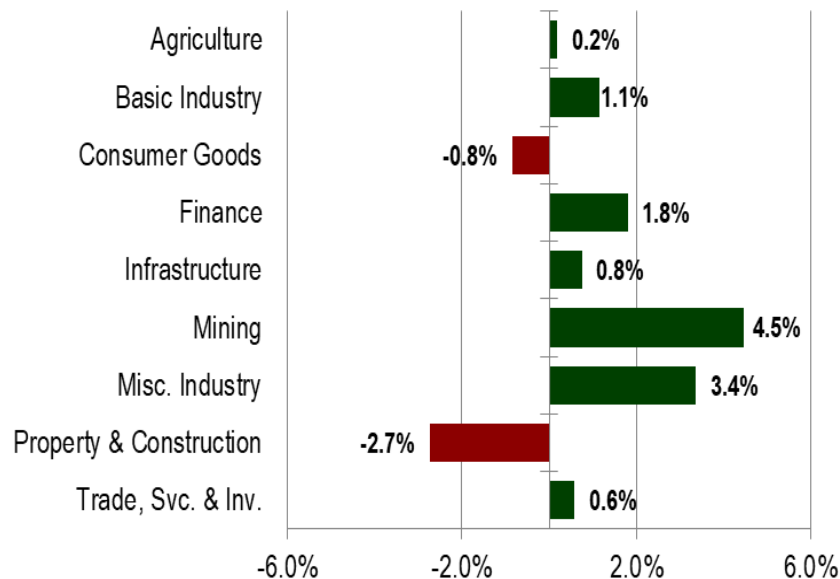
- Mining Sector**

The mining sector booked an increase of 4.5% in the past week. The increase was supported by one of its stocks, ANTM (+22.8) with a positive catalyst regarding plans to build nickel-based battery manufacturer. The SOEs that will work on this project are PT Aneka Tambang (ANTM), PT Pertamina and PT Perusahaan Listrik Negara. Other positive catalysts are fiscal incentives in the form of royalty exemption for coal used as raw material for downstreaming.

- Property Sector**

The property sector is still in the red and declined by 2.7% pressured by POLL, company with the biggest market cap in the sector, which fell by 24.0%. But, stocks in the property sector - CTRA (+10.7%) and construction - WSKT (+22.2%) managed to significantly gain in the past week. As a note, WSKT secured new contracts worth IDR3.2 trillion, where most of the projects are government infrastructure.

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val.	Top Sell (RG)	NS Val.
MDKA	121.8	UNTR	-131.7
BBCA	91.7	TLKM	-129.8
BBRI	85.3	BMRI	-91.8
BULL	58.6	BSDE	-86.9
BTPS	55.2	PGAS	-82.3

Source: NHKSI Research

Outlook This Week

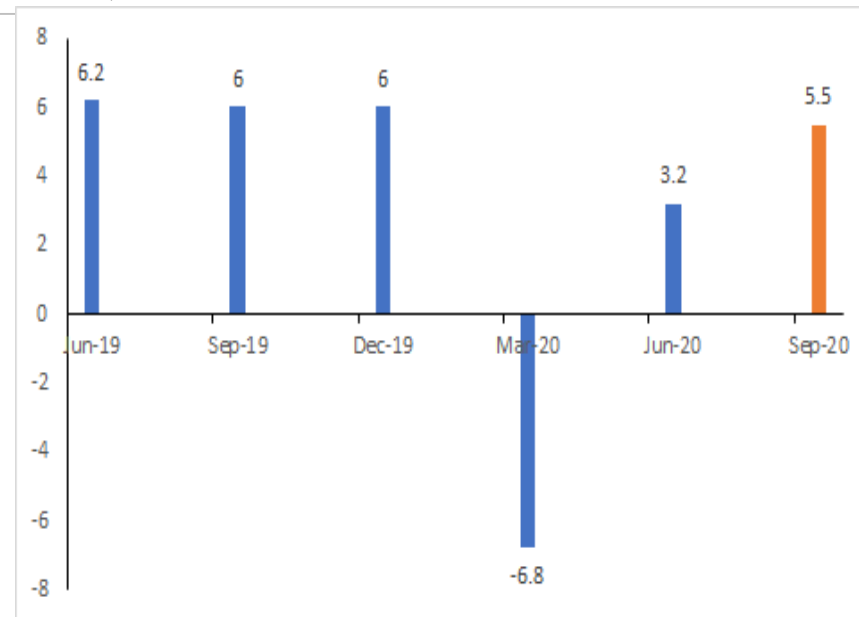
- **China Q3/2020 GDP Data Release**

China's success in managing the Covid-19 pandemic has brought positive impact to the world's second largest economy. This was shown in last quarter's GDP growth of 3.2%, when other countries are in contraction zone. By consensus, the Q3/2020 GDP will be around 5.5%.

- **Sectoral Rotation Graph**

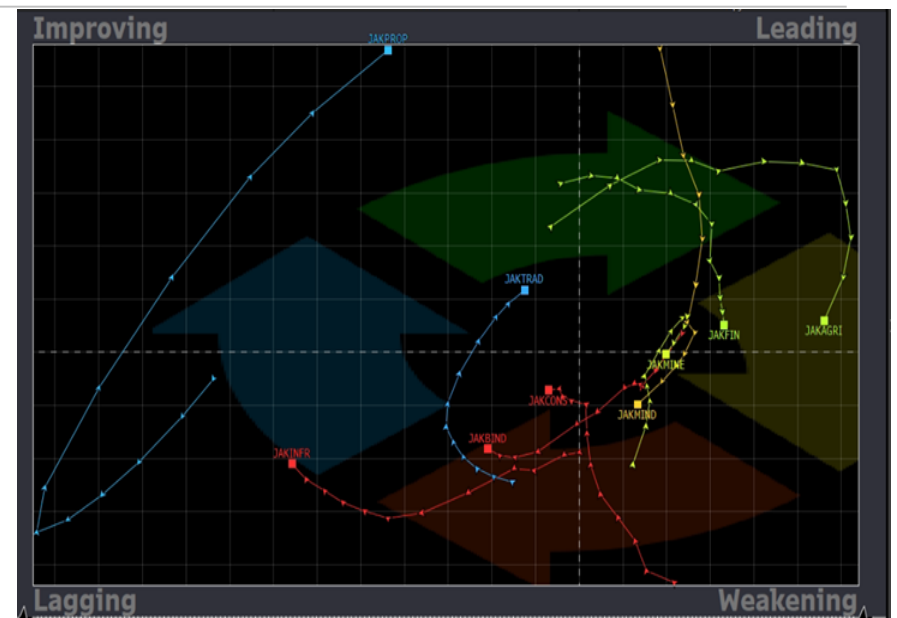
Based on the weekly Relative Rotational Graph, there are 2 prospective sectors which have entered the improving area. The first one is the property sector that has received positive sentiments from the Job Creation Law that has provided more ease in land and business licensing. The stock picks are: WSKT, PTPP, DMAS, and PWON. The retail trade sector also enjoyed a fresh breeze from the relaxation of PSBB in Jakarta. Investors can consider stocks such as ERAA, ACES, and MAPI.

China Q3 GDP Data



Source: Bloomberg, NHKSI Research

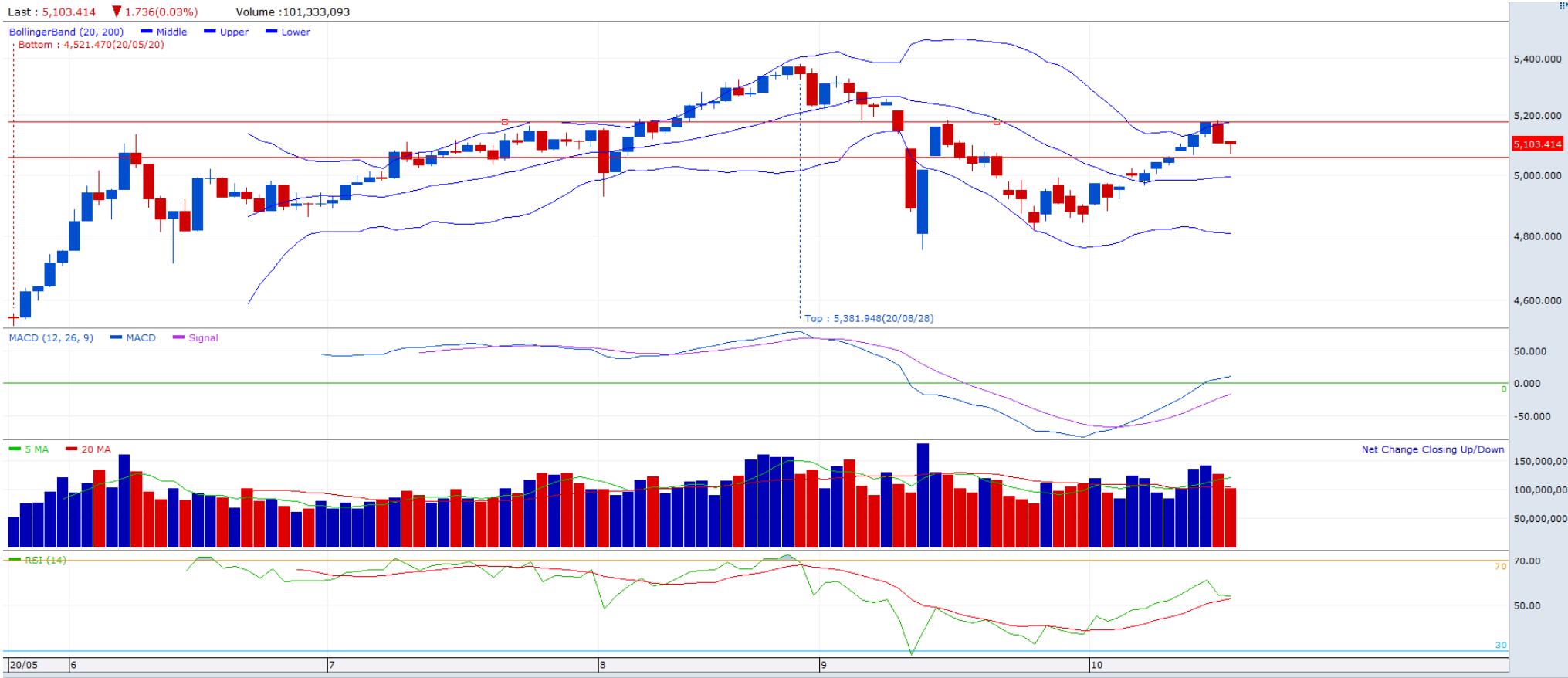
Sectoral Rotation Graph



Source: Bloomberg, NHKSI Research

JCI Index

Close	5103,414	Upper Limit	5176,945	Lower Limit	4808,848	MACD	10,725
Signal	-15,856	RSI	54,36	Signal	53,02	Support	5057
Resistance	5175						



Kalender Ekonomi

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 19-Oct	CH	09:00	GDP YoY	3Q20	5.50%	3.20%
	CH	09:00	Industrial Production YoY	Sep	5.80%	5.60%
	CH	09:00	Retail Sales YoY	Sep	1.70%	0.50%
Tuesday, 20-Oct	US	19:30	Housing Starts	Sep	1452k	1416k
Wednesday, 21-Oct	UK	13:00	CPI MoM	Sep	--	-0.40%
	UK	13:00	CPI YoY	Sep	--	0.20%
	UK	13:00	CPI Core YoY	Sep	--	0.90%
	UK	13:00	PPI Output NSA MoM	Sep	--	0.00%
	UK	13:00	PPI Output NSA YoY	Sep	--	-0.90%
	US	18:00	MBA Mortgage Applications	Oct	--	-0.70%
Thursday, 22-Oct	US	19:30	Initial Jobless Claims	Oct	--	898k
Friday, 23-Oct	GE	14:30	Markit Germany Manufacturing PMI	Oct	54	56.4
	EC	15:00	Markit Eurozone Manufacturing PMI	Oct	53.1	53.7
	UK	15:30	Markit UK PMI Manufacturing SA	Oct	--	54.1
	US	20:45	Markit US Manufacturing PMI	Oct	53.4	53.2

Source: Bloomberg, NHKSI Research

Kalender Aksi Korporasi

Date	Event	Company
Monday, 19-Oct	RUPS	BRAM
Tuesday, 20-Oct	RUPS	DVLA, MBAP
Wednesday, 21-Oct	RUPS	PALM, BSSR, BMRI
Thursday, 22-Oct	Right Issue RUPS	DNAR GREN
Friday, 23-Oct	RUPS	CLEO, DIGI

Source: NHKSI Research

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						(9.0)	2,160.4							
BBCA	28,925	33,425	34,000	Buy	17.5	(6.9)	713.1	25.5x	4.2x	17.0	1.9	6.6	(5.0)	1.1
BBRI	3,310	4,400	4,000	Buy	20.8	(17.0)	408.3	14.3x	2.2x	15.2	5.1	(2.1)	(37.2)	1.3
BBNI	4,780	7,850	6,000	Buy	25.5	(34.1)	89.1	7.3x	0.8x	10.9	4.3	(1.5)	(41.6)	1.4
BMRI	5,600	7,675	7,000	Buy	25.0	(15.5)	261.3	10.8x	1.5x	13.3	6.3	4.1	(23.9)	1.4
Consumer						(15.0)	1,063.9							
GGRM	43,500	53,000	59,600	Buy	37.0	(20.4)	83.7	8.0x	1.5x	21.0	N/A	1.7	(10.7)	1.0
KINO	2,980	3,430	2,950	Hold	(1.0)	(28.2)	4.3	15.6x	1.6x	10.7	3.6	(1.3)	(67.6)	0.9
ICBP	9,750	11,150	12,150	Buy	24.6	(13.9)	113.7	19.5x	4.0x	22.7	2.2	4.1	31.2	0.8
KLBF	1,560	1,620	1,870	Buy	19.9	(5.7)	73.1	27.7x	4.5x	17.0	1.3	3.8	10.3	1.0
Infrastructure						(31.0)	586.68							
TLKM	2,780	3,917	3,800	Buy	36.7	(32.4)	275.4	14.8x	2.9x	19.6	5.5	(3.6)	(0.8)	1.0
JSMR	3,770	5,175	4,550	Buy	20.7	(33.6)	27.4	21.8x	1.5x	6.9	0.4	(51.0)	(90.0)	1.4
EXCL	2,130	3,150	3,350	Buy	57.3	(39.7)	22.8	10.5x	1.1x	11.1	0.9	6.7	526.9	1.1
TOWR	1,020	805	1,310	Buy	28.4	55.7	52.0	19.4x	5.6x	31.1	2.3	21.7	30.0	0.9
PGAS	1,035	2,170	1,400	Buy	35.3	(53.4)	25.1	83.8x	0.7x	0.8	4.0	(17.9)	(85.0)	1.6
TBIG	1,450	1,230	1,400	Hold	(3.4)	8.6	32.9	31.9x	5.5x	21.9	1.9	13.2	33.8	1.0
Trade						(20.5)	568.1							
UNTR	21,700	21,525	19,000	Hold	(12.4)	6.6	80.9	8.3x	1.4x	17.3	4.5	(23.4)	(28.3)	0.9
MAPI	655	1,055	870	Buy	32.8	(42.8)	10.9	412.7x	2.0x	0.5	N/A	(32.2)	N/A	1.2
ERAA	1,655	1,795	2,000	Buy	20.8	4.1	5.3	17.7x	1.1x	6.3	N/A	(6.3)	5.9	1.5
Property						(37.0)	305.6							
CTRA	755	1,040	780	Hold	3.3	(35.2)	14.0	13.5x	0.9x	7.0	1.1	(10.8)	(43.8)	1.4
WSKT	690	1,485	820	Buy	18.8	(56.2)	9.4	N/A	0.6x	(7.0)	0.5	(45.7)	N/A	1.8
WIKA	1,230	1,990	1,410	Hold	14.6	(35.6)	11.0	6.7x	0.8x	11.3	4.1	(37.2)	(71.9)	1.8
PTPP	910	1,585	1,250	Buy	37.4	(46.0)	5.6	9.7x	0.5x	4.9	3.7	(36.6)	(94.5)	1.8
PWON	394	570	440	Hold	11.7	(36.5)	19.0	10.3x	1.3x	13.2	N/A	(43.7)	(64.7)	1.6
Basic Ind.						(15.7)	603.9							
SMGR	9,100	12,000	11,500	Buy	26.4	(27.8)	54.0	21.4x	1.6x	8.0	0.4	(2.0)	25.6	1.3
CPIN	5,825	6,500	6,660	Hold	14.3	3.6	95.5	26.9x	4.2x	17.0	1.4	(6.7)	(3.8)	1.5
Misc Ind.						(24.3)	263.7							
ASII	4,740	6,925	5,575	Buy	17.6	(25.6)	191.9	8.2x	1.3x	15.9	3.9	(22.7)	16.1	1.3
Mining						(11.6)	327.8							
TINS	830	825	1,200	Buy	44.6	(6.7)	6.2	N/A	1.3x	(21.4)	N/A	(18.5)	N/A	1.6
PTBA	2,010	2,660	2,900	Buy	44.3	(11.1)	23.2	6.7x	1.4x	21.0	16.2	(15.1)	(38.5)	1.1
INCO	3,960	3,640	4,500	Hold	13.6	10.3	39.3	19.5x	1.3x	7.1	N/A	23.3	N/A	1.6
ANTM	935	840	1,100	Buy	17.6	(2.6)	22.5	N/A	1.2x	(0.5)	0.3	(36.0)	(80.2)	1.6
ITMG	8,100	11,475	12,000	Buy	48.1	(36.1)	9.2	6.8x	0.7x	10.1	15.7	(26.9)	(50.0)	1.2
ADRO	1,155	1,555	1,700	Buy	47.2	(12.2)	36.9	9.5x	0.7x	7.0	9.5	(23.2)	(47.7)	1.4
MEDC	382	732	931	Buy	143.7	(30.6)	9.6	N/A	0.5x	(12.8)	N/A	(7.6)	N/A	1.6
Agriculture						(12.2)	75.3							
AALI	10,950	14,575	14,200	Buy	29.7	4.3	21.1	37.7x	1.1x	3.0	0.8	6.5	796.6	1.5
LSIP	930	1,485	1,200	Buy	29.0	(22.5)	6.3	18.9x	0.7x	4.0	1.6	(1.9)	550.0	1.6

Source : Bloomberg, NHKSI Research

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