

Weekly Brief (Nov 02nd –06th)

Summary:

Last week review: During the past week, JCI closed in the green as it approached long holiday. Meanwhile, foreign investors also booked net buy for two days in a row.

This week's outlook: After a long holiday, Indonesian stock market is waiting for several important data releases in early November 2020, such as the Q3/2020 GDP growth. Although it is still negative, economic growth is predicted to experience a recovery compared to last quarter. Meanwhile, investors are also going to pay close attention to the US presidential election that will be held on November 3, 2020.

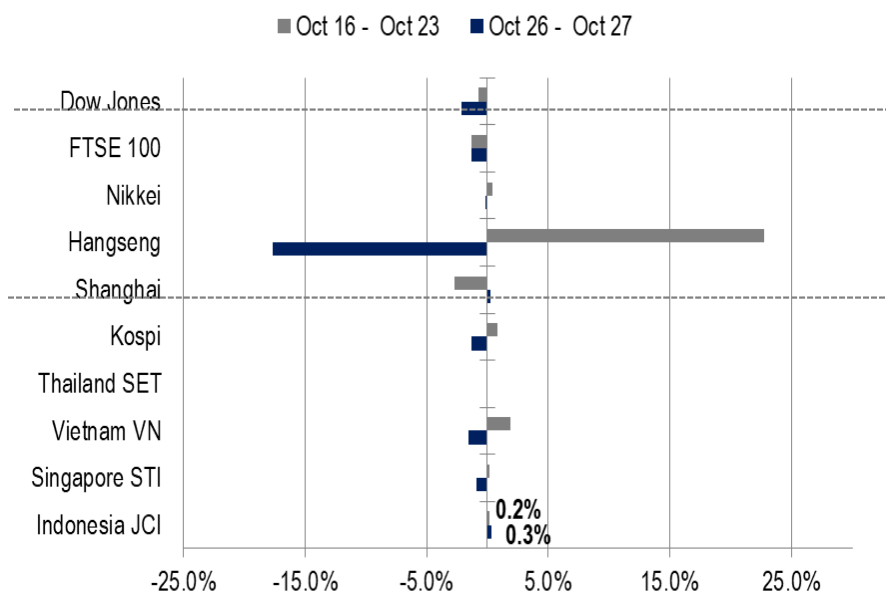
Last Week's JCI Movement

• JCI Index : 5,128.22 (+0.3%)
 Foreign Flow : Net buy of IDR236 billion (vs. last week's net sell of IDR990 billion)
 USD/IDR : 14,625 (+0.24%)

JCI Closed Slightly Higher

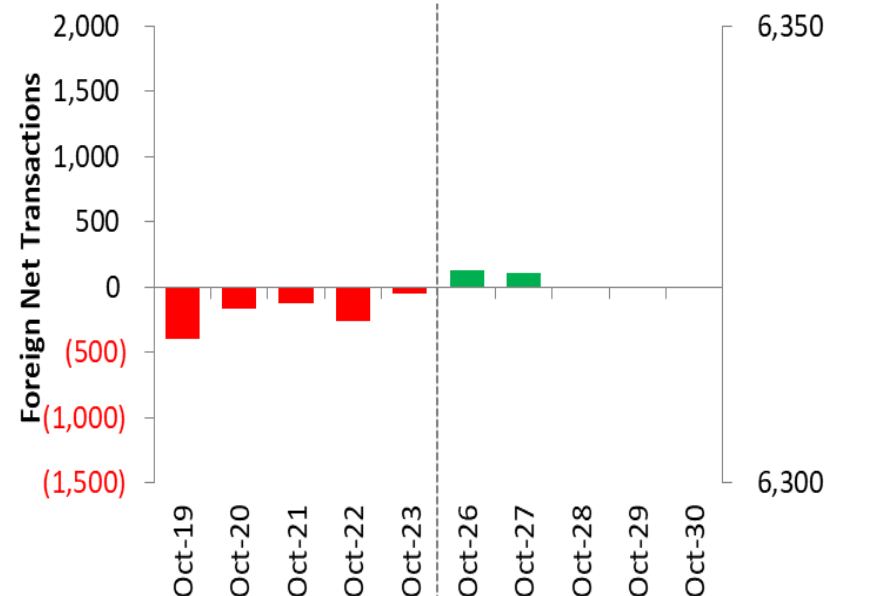
- 26 October - JCI closed higher supported by IDR126 billion in foreign net buy.
- 27 October - JCI reversed to the red but still recorded a foreign net buy of IDR108 billion. Approaching Indonesia Q3 GDP announcement, the Minister of Finance Sri Mulyani estimated that Indonesia 3Q20 GDP will be around -1% to -2.1%.

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

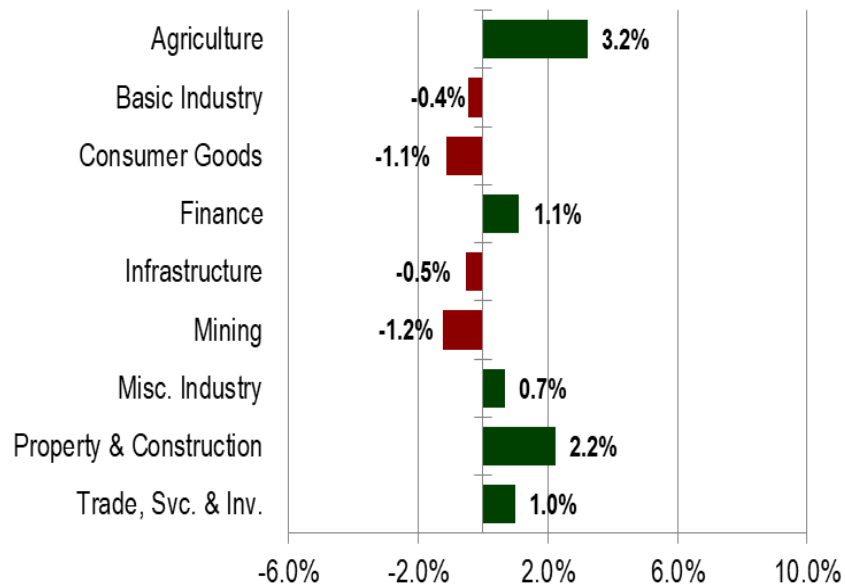
- Agricultural Sector**

The agricultural sector booked the highest increase of 3.2% last week. The rally was supported by one of the stocks, AALI (+3.8%). As a note, AALI managed to record a positive performance by booking an income of IDR13.32 trillion or up by 7.5% YoY and net income of IDR582.5 billion or increased by 424% YoY.

- Mining Sector**

For the past week, the mining sector recorded a decline by 1.2%, pressured by INCO (-3.8%) that fell after previously experiencing a significant cumulative gains after sentiments on the establishment of PT Indonesia Battery to operate an electric vehicle battery factory.

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val.	Top Sell (RG)	NS Val.
BMRI	317.2	BBNI	-202.8
BBRI	275.9	TLKM	-200.5
ASII	194.3	UNTR	-63.6
BBCA	83.4	TBIG	-49.3
SMGR	33.0	ICBP	-42.4

Source: NHKSI Research

Outlook This Week

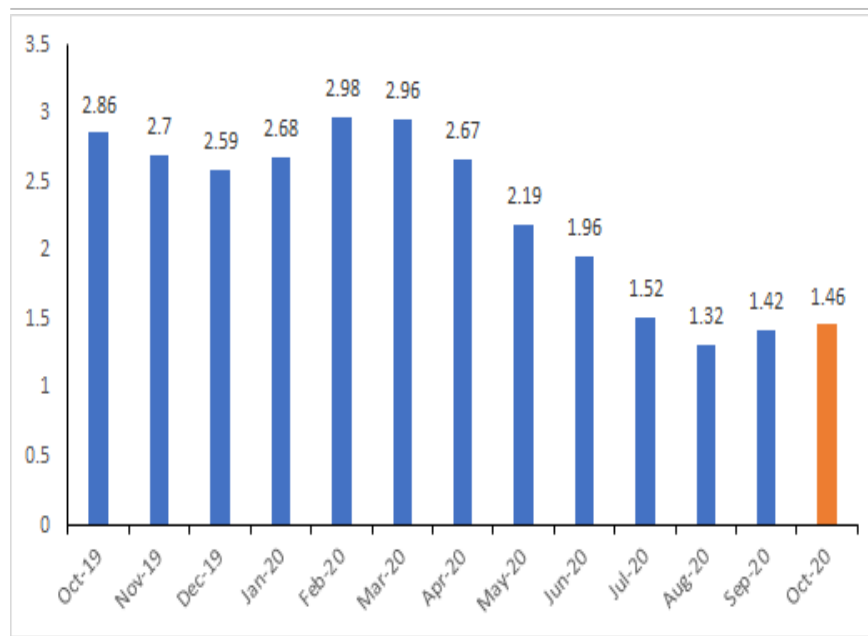
- **October 2020 Consumer Price Index (CPI) Release**

After 3 months of deflation, Bank Indonesia projected that Consumer Price Index for October 2020 is predicted to return to inflation of 0.08% MoM. In terms of YoY, this will bring the inflation to 1.46%. BI also predicted that 2020 inflation will be under the lower limit of 2%. This year's low inflation is caused by several factors, such as: weak demand, rupiah exchange rate stability, and stable food prices.

- **Indonesia Q3/2020 GDP Release**

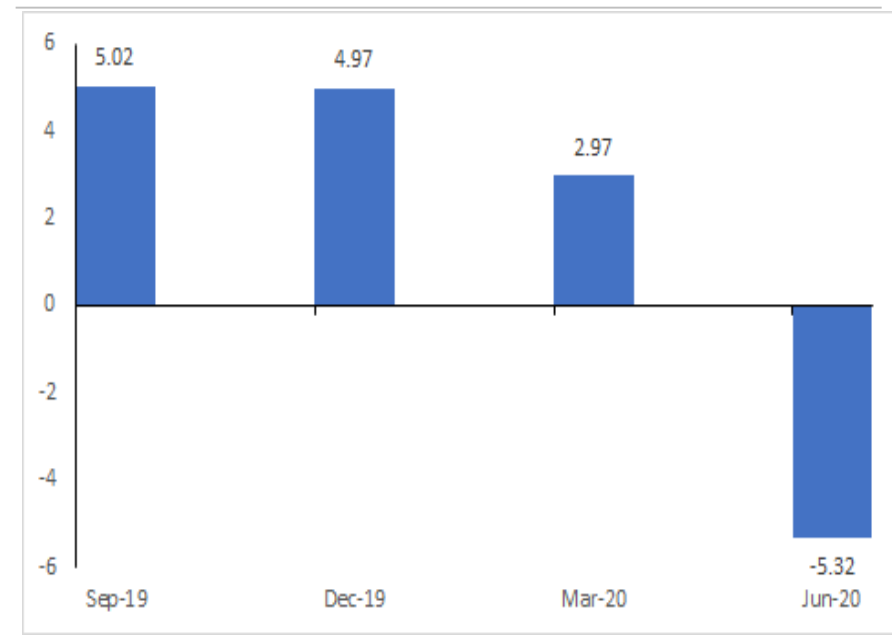
Ministry of Finance projected Indonesia's economic growth in Q3/2020 to contract around -2.9% to -1%. The reimplementation of PSBB in Jakarta on September 2020 was an obstacle to last quarter's economic recovery. With the projected growth at a minus, Indonesia by definition will enter the recession zone for the first time since the 1998 Financial Crisis. However, the absorption of National Economic Recovery (PEN) budget which increased in Q3/2020 also helped GDP growth to be higher than in Q2/2020.

CPI Release



Source: Bloomberg, NHKSI Research

Indonesia Q3/2020 GDP Release



Source: Bloomberg, NHKSI Research

JCI Index

Close	5128.225	Upper Limit	5220.262	Lower Limit	4902.86	MACD	21.255
Signal	10.998	RSI	55.67	Signal	55.32	Support	5057
Resistance	5175						



Kalender Ekonomi

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 02-Nov	ID	07:30	Markit Indonesia PMI Mfg	Oct	--	47.2
	CH	08:45	Caixin China PMI Mfg	Oct	52.8	53
	ID	11:00	CPI YoY	Oct	--	1.42%
	EC	16:00	Markit Eurozone Manufacturing PMI	Oct	--	54.4
	UK	16:30	Markit UK PMI Manufacturing SA	Oct	--	53.3
	US	21:45	Markit US Manufacturing PMI	Oct	--	53.3
Tuesday, 03-Nov	US	22:00	Factory Orders	Sep	0.3%	0.7%
	US	22:00	Durable Goods Orders	Sep	--	--
Wednesday, 04-Nov	US	19:00	MBA Mortgage Applications	Oct	--	--
	US	20:15	ADP Employment Change	Oct	750k	749k
Thursday, 05-Nov	ID	11:00	GDP YoY	3Q20	--	-5.32%
	UK	19:00	Bank of England Bank Rate	Nov	--	0.1%
Friday, 06-Nov	ID	10:00	Foreign Reserves	Oct	--	\$135.15b
	GE	14:00	Industrial Production SA MoM	Sep	--	-0.2%
	US	20:30	Unemployment Rate	Oct	7.7%	7.9%

Source: Bloomberg, NHKSI Research

Kalender Aksi Korporasi

Date	Event	Company
Monday, 02-Nov	Cum Dividend RUPS	SIDO SCPI, BRAM, BBSI, ASJT
Tuesday, 03-Nov	Cum Dividend	PALM, IMPC
Wednesday, 04-Nov	Cum Dividend	XCID
Thursday, 05-Nov	RUPS	BRIS
Friday, 06-Nov	RUPS	PKPK

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						(16.0)	1,984.2							
BBCA	27,225	33,425	34,000	Buy	24.9	(8.3)	671.2	24.0x	4.0x	17.0	2.0	6.6	(5.0)	1.1
BBRI	3,030	4,400	4,000	Buy	32.0	(25.7)	373.7	13.1x	2.0x	15.2	5.6	(2.1)	(37.2)	1.3
BBNI	4,330	7,850	6,000	Buy	38.6	(42.1)	80.7	6.6x	0.7x	10.9	4.8	(1.5)	(41.6)	1.5
BMRI	5,075	7,675	7,000	Buy	37.9	(26.4)	236.8	9.8x	1.3x	13.3	7.0	4.1	(23.9)	1.4
Consumer						(18.0)	1,038.9							
GGRM	40,175	53,000	59,600	Buy	48.4	(22.8)	77.3	7.4x	1.4x	21.0	N/A	1.7	(10.7)	0.9
KINO	2,800	3,430	2,950	Hold	5.4	(19.8)	4.0	14.6x	1.5x	10.7	3.9	(1.3)	(67.6)	0.9
ICBP	10,100	11,150	12,150	Buy	20.3	(14.4)	117.8	20.2x	4.1x	22.7	2.1	4.1	31.2	0.8
KLBF	1,515	1,620	1,870	Buy	23.4	(9.3)	71.0	26.9x	4.3x	17.0	1.3	3.8	10.3	1.0
Infrastructure						(34.3)	562.24							
TLKM	2,730	3,917	3,800	Buy	39.2	(34.4)	270.4	14.6x	2.8x	19.6	5.6	(3.6)	(0.8)	1.0
JSMR	3,250	5,175	4,550	Buy	40.0	(43.5)	23.6	18.8x	1.3x	6.9	0.5	(51.0)	(90.0)	1.4
EXCL	1,930	3,150	3,350	Buy	73.6	(41.5)	20.7	9.5x	1.0x	11.1	1.0	6.7	526.9	1.1
TOWR	1,005	805	1,310	Buy	30.3	57.0	51.3	19.1x	5.5x	31.1	2.4	21.7	30.0	1.0
PGAS	960	2,170	1,400	Buy	45.8	(57.0)	23.3	77.2x	0.6x	0.8	4.3	(17.9)	(85.0)	1.6
TBIG	1,325	1,230	1,400	Hold	5.7	11.3	30.0	29.2x	5.1x	21.9	2.1	13.2	33.8	1.0
Trade						(22.2)	551.5							
UNTR	22,875	21,525	19,000	Sell	(16.9)	8.3	85.3	8.7x	1.5x	17.3	5.3	(23.4)	(28.3)	0.9
MAPI	560	1,055	870	Buy	55.4	(44.0)	9.3	352.8x	1.7x	0.5	N/A	(32.2)	N/A	1.2
ERA.A	1,520	1,795	2,000	Buy	31.6	(21.2)	4.8	16.2x	1.0x	6.3	N/A	(6.3)	5.9	1.5
Property						(31.3)	325.4							
CTRA	625	1,040	780	Buy	24.8	(41.0)	11.6	11.2x	0.8x	7.0	1.3	(10.8)	(43.8)	1.5
WSKT	490	1,485	820	Buy	67.3	(68.7)	6.7	N/A	0.4x	(7.0)	0.7	(45.7)	N/A	1.8
WIKA	1,060	1,990	1,410	Buy	33.0	(44.6)	9.5	5.8x	0.7x	11.3	4.8	(37.2)	(71.9)	1.8
PTPP	810	1,585	1,250	Buy	54.3	(51.4)	5.0	8.6x	0.5x	4.9	4.2	(36.6)	(94.5)	1.8
PWON	344	570	440	Buy	27.9	(47.5)	16.6	9.0x	1.2x	13.2	N/A	(43.7)	(64.7)	1.6
Basic Ind.						(19.2)	556.4							
SMGR	8,800	12,000	11,500	Buy	30.7	(28.0)	52.2	20.7x	1.6x	8.0	0.5	(2.0)	25.6	1.3
Misc Ind.						(27.6)	254.3							
ASII	4,600	6,925	5,575	Buy	21.2	(29.2)	186.2	8.0x	1.2x	15.9	4.7	(22.7)	16.1	1.3
Mining						(19.2)	304.0							
TINS	680	825	1,200	Buy	76.5	(34.3)	5.1	N/A	1.1x	(21.4)	N/A	(18.5)	N/A	1.5
PTBA	1,950	2,660	2,900	Buy	48.7	(15.2)	22.5	5.6x	1.1x	20.6	16.7	(4.0)	(25.0)	1.1
INCO	3,510	3,640	4,500	Buy	28.2	(2.0)	34.9	17.2x	1.2x	7.1	N/A	23.3	N/A	1.6
ANTM	720	840	1,100	Buy	52.8	(28.7)	17.3	N/A	1.0x	(0.5)	0.4	(36.0)	(80.2)	1.5
ITMG	8,050	11,475	12,000	Buy	49.1	(37.0)	9.1	6.7x	0.7x	10.1	15.8	(26.9)	(50.0)	1.2
ADRO	1,130	1,555	1,700	Buy	50.4	(13.7)	36.1	9.2x	0.7x	7.0	9.7	(23.2)	(47.7)	1.4
MEDC	360	732	931	Buy	158.6	(40.9)	9.0	N/A	0.4x	(6.2)	N/A	2.0	N/A	1.6
Agriculture						(18.5)	71.4							
AA LI	9,750	14,575	14,200	Buy	45.6	(8.9)	18.8	33.6x	1.0x	3.0	0.5	6.5	796.6	1.5
LSIP	885	1,485	1,200	Buy	35.6	(25.0)	6.0	18.0x	0.7x	4.0	1.7	(1.9)	550.0	1.6

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