

Weekly Brief (Dec 14th – Dec 18th)

Summary:

Last week review: The arrival of Covid-19 vaccine in Indonesia, as well as cigarette excise tax hike influenced JCI's movement during the past week. Meanwhile, foreign exchange reserves came out slightly lower. However, JCI still closed in the green on a weekly basis.

This week's outlook: This week, investors will pay close attention to some releases such as the November 2020 trade balance data, and the decision from BI's Board of Governors Meeting. Consensus estimates that Indonesia will still record a trade surplus of USD 2.6 billion.

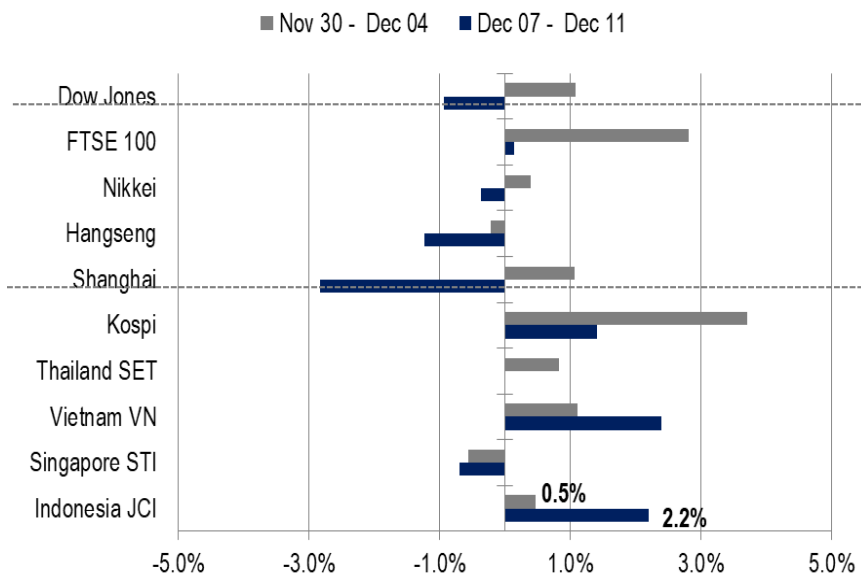
Last Week's JCI Movement

- JCI Index : 5,938.32 (+2.2%)
- Foreign Flow : Net sell of IDR1.6 trillion (vs. last week's net sell of IDR3.9 trillion)
- USD/IDR : 14,080 (+0.18%)

JCI Closed Higher

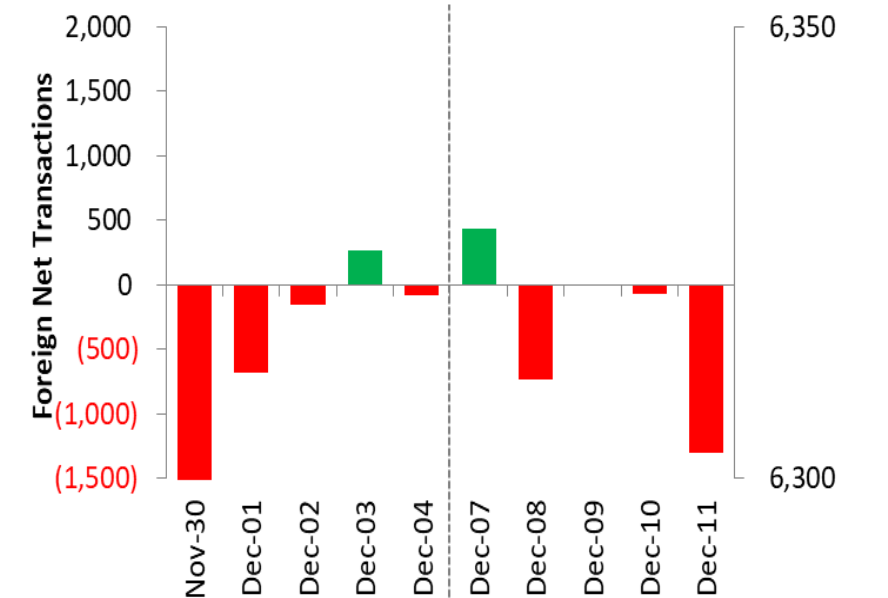
- 7 December - At the beginning of the week, JCI closed significantly higher and continued to show bullish momentum after the news on the arrival of Covid-19 from Sinovac and booked foreign net buy reaching IDR432 billion. Meanwhile, forex reserves data released by Bank Indonesia reached USD133.6 billion as of the end of November, slightly lower compared to October at USD133.7 billion.
- 10 December - JCI closed in the red after the announcement of tobacco excise tax rate increase of 12.5% in 2021 by the Finance Minister, Sri Mulyani.
- 11 December - At the end of last week, JCI closed rather sideways with a slight increase of 0.08%.

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

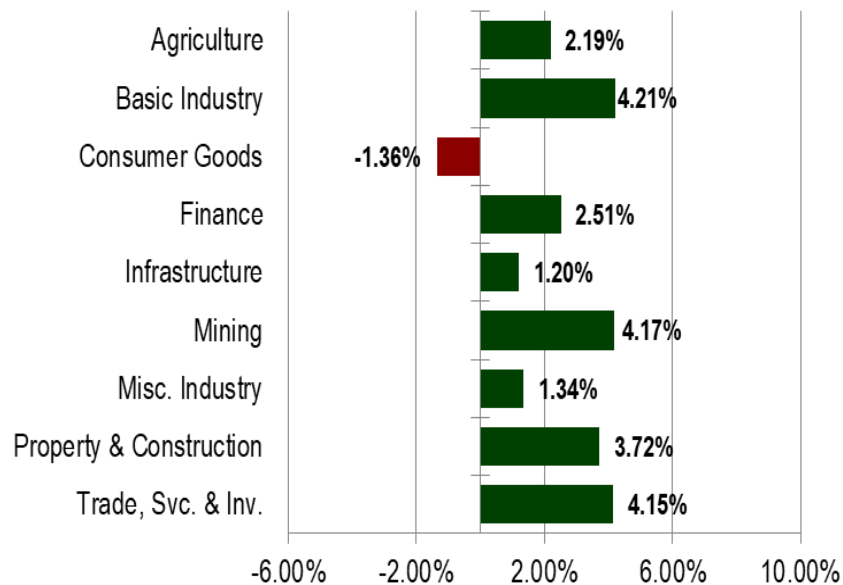
- Basic Industry Sector**

The basic industry sector booked the highest increase in the past week, reaching 42.1%, supported by an increase in BRPT (+9.82%). As a note, BRPT will work on the Geothermal energy project next year, the Salak Binary with a capacity of 15MW and Salak Unit 7 55MW.

- Consumer Sector**

Most of the sectors in JCI booked a rally, except for consumer sector that booked a decline of 1.4%. This is due to pressure from cigarette issuers such as HMSP (-5.5%), GGRP (-6.0%) in the past week. The Ministry of Finance announced an increase in cigarette excise tax on (10/12) by 12.5% with the tax increase for SPM Type I at 18.4%, SKM Type I by 16.9%, and with no increase for SKT.

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy (RG)	NB Val.	Top Sell (RG)	NS Val.
BBCA	1,695.3	ICBP	-500.1
BMRI	221.8	HMSP	-272.7
MDKA	99.7	TLKM	-252.1
ANTM	95.2	INDF	-237.1
ASII	72.3	GGRM	-216.9

Source: NHKSI Research

Outlook This Week

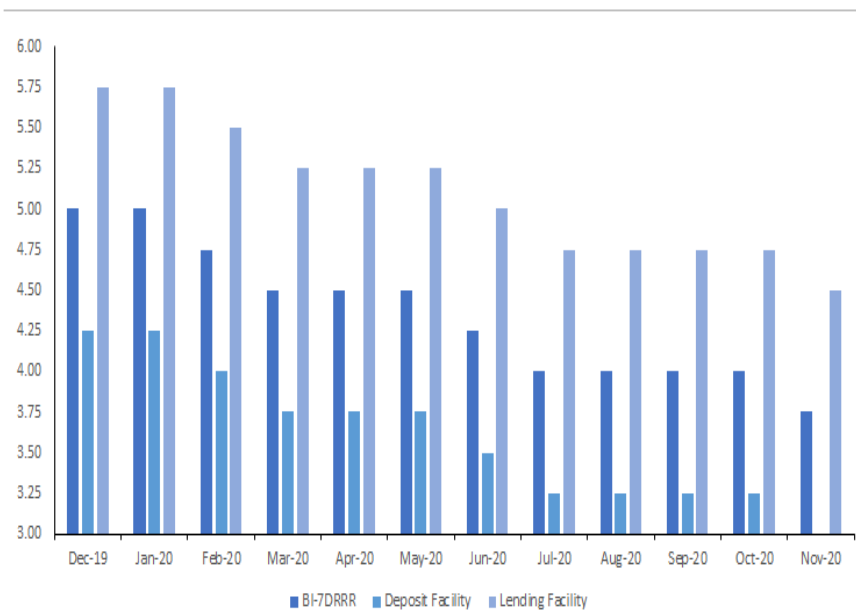
• November 2020 Trade Balance Data Release

During the January - October 2020 period, Indonesia posted a trade balance surplus of USD17.07 bn. Total exports reached USD131.54 billion or decreased by 5.58% yoy. Meanwhile, import values recorded a steeper decline, by -19.07% yoy to USD114.46 bn. The trade balance surplus which was primarily caused by the decline in imports is not necessarily a positive indicator, because lower imports of raw materials and capital goods indicate weak levels of domestic production. For November 2020, consensus estimates Indonesia will have a trade surplus of USD 2.6 bn.

• Result of BI's Board of Governors Meeting

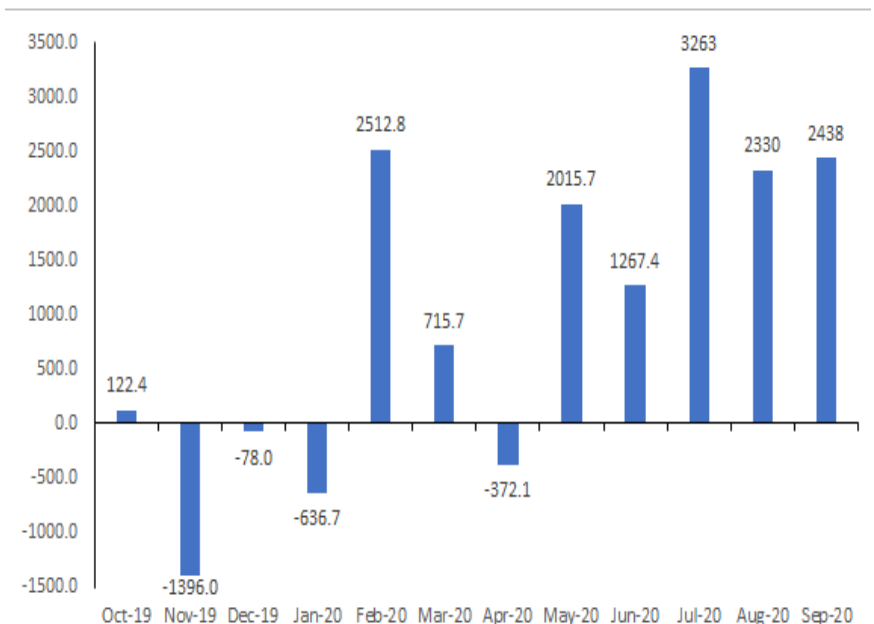
In November, BI once again slashed the BI-7DRRR benchmark interest rate to its current position at 3.75%. The cut is expected to be followed by a decline in banking loan interest rates. Until October 2020, the average loan rate has reached single digit at 9.8%. This is hoped to be a positive catalyst for the economy, especially the property sector that may potentially gain higher demands if the mortgage (KPR) rate can go down.

BI Benchmark Rate (%)



Source: Bloomberg, NHKSI Research

Indonesia Trade Balance (USD Mn)



Source: Bloomberg, NHKSI Research

JCI Index

Close	5938	Upper Limit	6018,26	Lower Limit	5413,44	MACD	161,25
Signal	152,80	RSI	73,61	Signal	71,41	Support	5854
Resistance	6004						



Source: NHKSI Research

Economic Calendar

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Tuesday, 15-Dec	CH	09:00	Industrial Production YoY	Nov	7.00%	6.90%
	CH	09:00	Retail Sales YoY	Nov	5.10%	4.30%
	ID	11:00	Trade Balance	Nov	\$2603m	\$3607m
Wednesday, 16-Dec	UK	14:00	CPI MoM	Nov	--	0.00%
	UK	14:00	CPI YoY	Nov	0.70%	0.70%
	EC	16:00	Markit Eurozone Manufacturing PMI	Dec	53	53.8
	UK	16:30	Markit UK PMI Manufacturing SA	Dec	55.5	55.6
	US	19:00	MBA Mortgage Applications	Dec	--	-1.20%
	US	21:45	Markit US Manufacturing PMI	Dec	55.8	56.7
Thursday, 17-Dec	ID	14:20	Bank Indonesia 7D Reverse Repo	Dec	3.75%	3.75%
	EC	17:00	CPI YoY	Nov	-0.30%	-0.30%
	UK	19:00	Bank of England Bank Rate	Dec	0.10%	0.10%
	US	20:30	Initial Jobless Claims	Dec	--	853k
Friday, 18-Dec	GE	16:00	IFO Expectations	Dec	93	91.5
	US	22:00	Leading Index	Nov	0.40%	0.70%

Source: Bloomberg, NHKSI Research

Corporate Action Calendar

Date	Event	Company
Monday, 14-Dec	RUPS	VINS, SATU, PADI, AMTK
	Cum Dividend	MFMI
Tuesday, 15-Dec	RUPS	IMPC, BRIS
	Cum Dividend	XISB, TOWR
Wednesday, 16-Dec	RUPS	TUGU, KREN, IGAR
Thursday, 17-Dec	RUPS	SDRA, FISH, BKSW
	IPO	VICI
Friday, 18-Dec	RUPS	SOCI, BTEK
	IPO	PMMP

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						2.9	2,470.2							
BBCA	33,675	33,425	34,000	Hold	1.0	5.6	830.3	30.0x	4.6x	16.0	1.6	3.4	(4.2)	1.1
BBRI	4,280	4,400	4,500	Overweight	5.1	1.7	527.9	22.1x	2.7x	12.2	3.9	(3.1)	(43.3)	1.3
BBNI	6,575	7,850	6,000	Underweight	(8.7)	(12.6)	122.6	15.9x	1.1x	6.7	3.1	(2.4)	(63.9)	1.5
BMRI	6,775	7,675	7,000	Hold	3.3	(7.8)	316.2	14.9x	1.7x	11.1	5.2	(0.7)	(30.7)	1.4
Consumer						(9.3)	1,093.4							
GGRM	41,350	53,000	49,000	Buy	18.5	(20.8)	79.6	8.6x	1.4x	17.9	N/A	2.0	(22.0)	0.9
ICBP	9,825	11,150	12,150	Buy	23.7	(14.2)	114.6	22.4x	4.2x	20.1	2.2	3.4	2.1	0.7
KLBF	1,465	1,620	1,750	Buy	19.5	(6.4)	68.7	26.2x	4.0x	16.2	1.8	1.6	5.8	0.9
SIDO	785	638	930	Buy	18.5	24.6	23.6	30.9x	7.1x	26.9	3.3	6.0	10.8	0.8
MYOR	2,550	2,050	2,700	Overweight	5.9	25.0	57.0	23.2x	5.4x	25.3	1.2	(2.1)	42.9	0.8
HMSP	1,555	2,100	1,750	Overweight	12.5	(24.1)	180.9	17.3x	6.3x	34.4	7.7	(12.6)	(33.0)	1.0
UNVR	7,475	8,400	8,600	Buy	15.1	(11.2)	285.2	38.9x	44.0x	109.5	2.6	0.3	(1.0)	0.8
Infrastructure						(13.2)	689.44							
TLKM	3,280	3,917	3,800	Buy	15.9	(17.9)	324.9	17.2x	3.2x	18.8	4.7	(2.6)	1.3	1.1
JSMR	4,480	5,175	4,550	Hold	1.6	(11.3)	32.5	37.7x	1.7x	4.7	0.3	(50.1)	(89.5)	1.4
EXCL	2,460	3,150	3,350	Buy	36.2	(25.5)	26.3	11.5x	1.3x	11.5	0.8	5.0	312.8	1.2
TOWR	1,015	805	1,310	Buy	29.1	37.2	51.8	19.2x	5.3x	29.5	2.4	19.3	22.6	0.9
PGAS	1,655	2,170	1,400	Sell	(15.4)	(23.4)	40.1	N/A	1.1x	(0.3)	2.5	(23.5)	(58.7)	1.7
TBIG	1,540	1,230	1,565	Hold	1.6	41.9	34.9	33.6x	5.6x	20.0	1.8	13.5	22.3	1.0
Trade						(4.8)	647.4							
UNTR	26,150	21,525	19,000	Sell	(27.3)	25.7	97.5	12.2x	1.6x	13.7	3.7	(29.2)	(38.2)	0.9
MAPI	895	1,055	870	Hold	(2.8)	(16.0)	14.9	N/A	2.8x	(5.6)	N/A	(34.0)	N/A	1.3
ERAA	1,945	1,795	2,000	Hold	2.8	20.4	6.2	14.6x	1.2x	8.7	N/A	(1.9)	78.8	1.5
MIKA	2,730	2,670	2,810	Hold	2.9	2.2	38.9	52.5x	8.6x	16.7	0.8	(2.8)	0.0	0.3
Property						(23.4)	371.4							
CTRA	915	1,040	1,160	Buy	26.8	(12.0)	17.0	17.2x	1.2x	6.7	0.9	(8.9)	(40.9)	1.4
WSKT	1,160	1,485	820	Sell	(29.3)	(18.0)	15.7	N/A	1.2x	(18.1)	0.3	(46.7)	N/A	1.9
WIKA	1,785	1,990	2,180	Buy	22.1	(10.1)	16.0	16.3x	1.2x	6.7	2.9	(43.3)	(96.3)	1.8
PTPP	1,565	1,585	1,940	Buy	24.0	(3.4)	9.7	23.6x	0.9x	3.4	2.2	(37.0)	(95.2)	1.9
PWON	550	570	615	Overweight	11.8	(6.0)	26.5	22.6x	1.8x	8.1	N/A	(41.9)	(72.1)	1.5
Basic Ind.						(2.8)	757.3							
SMGR	11,475	12,000	13,325	Buy	16.1	(3.8)	68.1	25.8x	2.0x	8.1	0.4	(8.9)	19.3	1.3
INTP	14,425	19,025	18,775	Buy	30.2	(26.1)	53.1	29.9x	2.4x	7.9	5.0	(10.6)	(5.0)	1.3
CPIN	6,275	6,500	6,675	Overweight	6.4	(9.1)	102.9	30.7x	4.7x	15.9	1.3	(1.4)	(10.9)	1.4
Misc Ind.						(12.1)	318.2							
ASII	5,675	6,925	5,800	Hold	2.2	(13.4)	229.7	11.6x	1.5x	13.4	3.2	(26.4)	(11.5)	1.3
Mining						21.7	420.1							
TINS	1,305	825	1,200	Underweight	(8.0)	58.2	9.7	N/A	2.0x	(19.7)	N/A	(18.7)	(43.0)	1.6
PTBA	2,810	2,660	2,900	Hold	3.2	11.5	32.4	11.8x	1.9x	16.0	11.6	(20.9)	(44.6)	1.1
INCO	5,225	3,640	4,530	Underweight	(13.3)	60.3	51.9	27.4x	1.8x	6.9	N/A	12.7	N/A	1.6
ANTM	1,450	840	1,480	Hold	2.1	75.8	34.8	74.4x	1.8x	2.4	0.2	(26.5)	30.3	1.6
ITMG	14,675	11,475	12,000	Sell	(18.2)	36.8	16.6	16.7x	1.3x	7.6	6.0	(33.2)	(55.6)	1.3
ADRO	1,535	1,555	1,700	Overweight	10.7	3.0	49.1	32.3x	1.0x	2.9	7.1	(26.4)	(73.0)	1.5
MEDC	630	732	1,100	Buy	74.6	(9.8)	15.8	N/A	0.9x	(14.6)	N/A	(18.3)	N/A	1.7
Agriculture						(2.8)	86.5							
AALI	11,900	14,575	14,200	Buy	19.3	(10.7)	22.9	33.6x	1.2x	3.6	0.8	7.6	423.9	1.4
LSIP	1,215	1,485	1,200	Hold	(1.2)	(14.4)	8.3	17.3x	1.0x	5.7	1.2	(11.9)	412.5	1.6

Source : Bloomberg, NHKSI Research

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