

Weekly Brief (Oct 12th – Oct 16th)

Summary:

Last week review: JCI managed to rebound and enter the green zone despite relatively disappointing economic data. On the other hand, market participants responded positively the passage of Job Creation Law which projected to bring positive impact to Indonesian economy.

This week's outlook: JCI movement this year will be influenced by various domestic sentiments. Investors will pay attention to the decision of Governor Board Meeting (RDG) and the release of September 2020 Trade Balance data. Meanwhile, continuation of the PSBB policy in Jakarta and the impact of Omnibus Law passage are also the focus for this week.

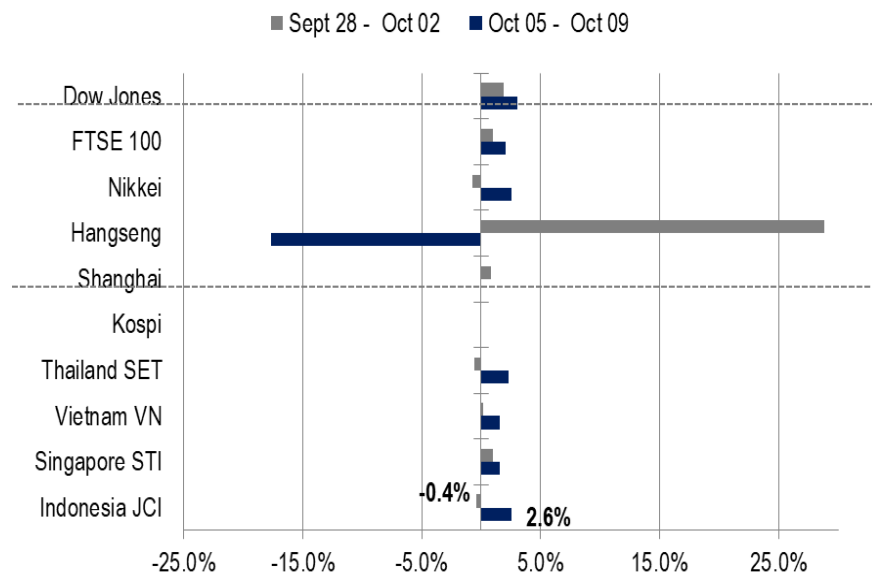
Last Week's JCI Movement

•JCI Index	: 5,053.66 (+2.6%)
Foreign Flow	: Net sell of IDR2.3 trillion (vs. last week's net sell of IDR1.4 trillion)
USD/IDR	: 14,700 (-1.11%)

JCI Closed Higher

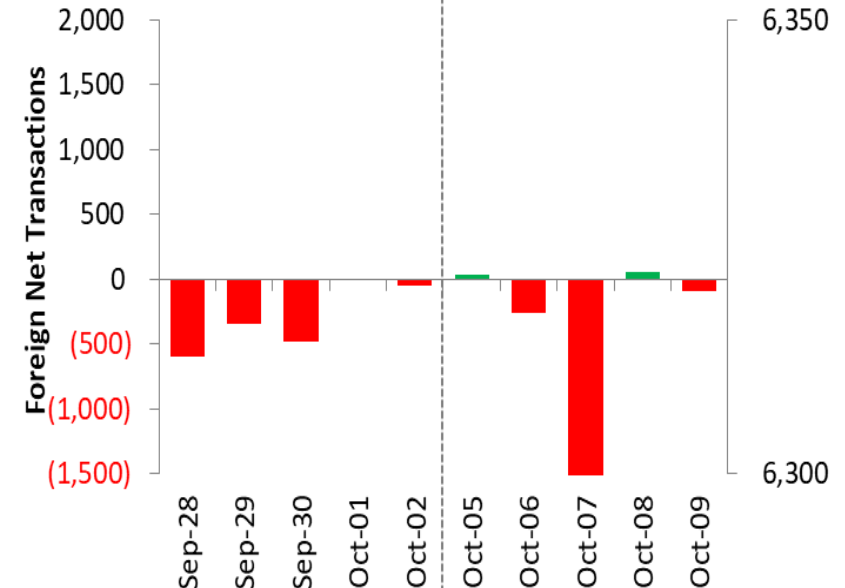
- October 6 - JCI closed higher amid the weak September 2020 CCI data booked at 83.4 compared to 86.9 in August 2020.
- October 7 - JCI continued to rally after Bank Indonesia released Indonesian forex reserves amount which was USD135.2 billion in September 2020. The reserves position was down by USD1.8 billion from the previous position at USD137 billion in August 2020. The decline in September 2020 was caused by the repayment of government foreign debt and needs to stabilize the rupiah exchange rate.
- October 8 - JCI was still in the green despite the Omnibus Law on Job Creation did not get a good reaction from the people and protests ended in chaos. On the other hand, Omnibus Law is also a fresh breeze for investors because it aims to solve the problem of investment obstacles and create jobs.

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

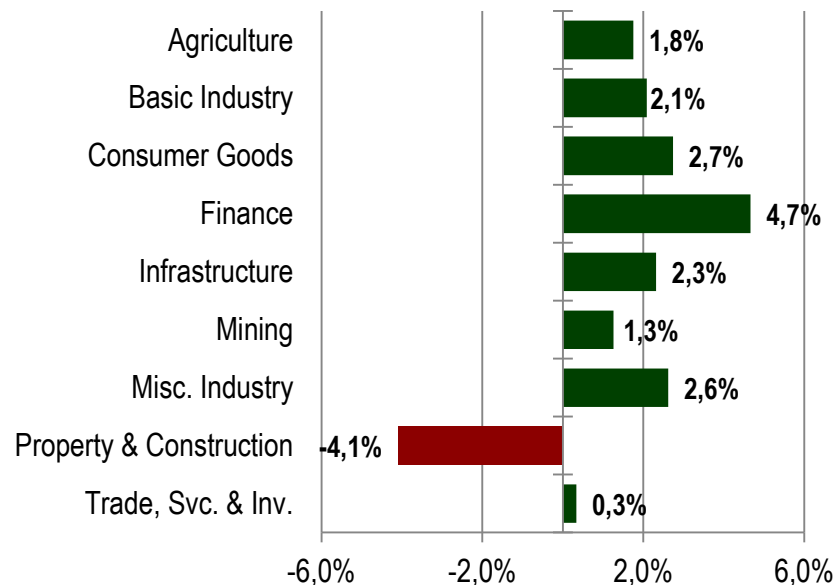
- Banking Sector**

The banking sector booked an increase of 4.7% throughout last week. Investors have started to aim for banking stocks especially BUKU IV banks after previously posting a significant decline in September. Meanwhile, Financial Services Authority (OJK) decided to extend the loan restructuring period for debtors affected by Covid-19 until 2022.

- Infrastructure Sector**

Last week, the property sector recorded the biggest decline of 4.1%, pressured by POLL that fell by 28.3%, the company with the biggest market cap in this sector. However, despite this, the property sector is one of the sectors that will be most benefited by the Job Creation law. This is reflected on several stocks in the property sector such as BEST (+3,5%), KIJA (+8,5%), DMAS (+10,4%).

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	182.2	BBRI	-517.2
BMRI	123.0	TLKM	-219.4
MDKA	91.0	ADRO	-87.2
BULL	62.0	TBIG	-80.4
UNVR	56.5	PGAS	-62.0

Source: NHKSI Research

Outlook This Week

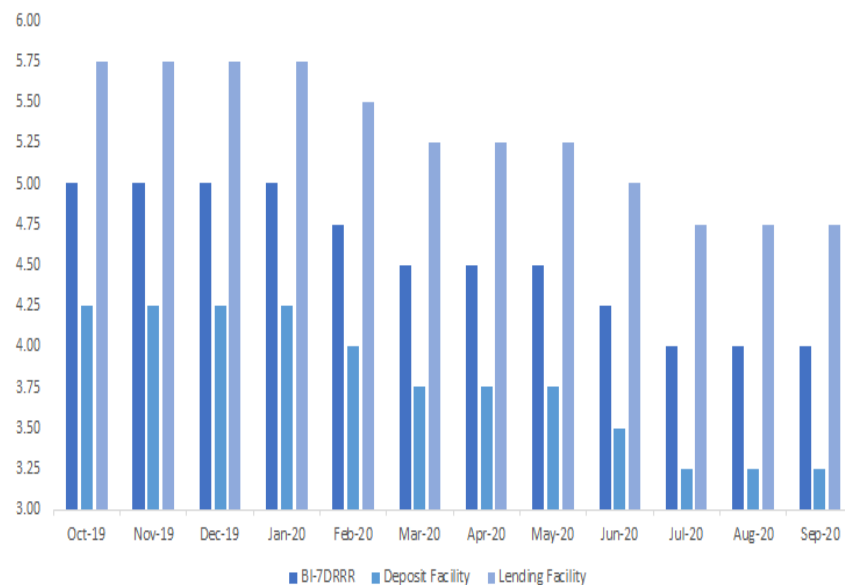
- **BI-7DRRR Benchmark Interest Rate Announcement**

Since its last cut to the benchmark interest rate in July, Bank Indonesia still maintains the BI-7DRRR at 4.00%. One of the underlying factors is the need to keep the stability of Rupiah exchange rate that almost reached IDR 15,000/USD. However, the low inflation rate cause bigger possibility of cuts to BI-7DRRR in the rest of 2020.

- **September 2020 Trade Balance Data Release**

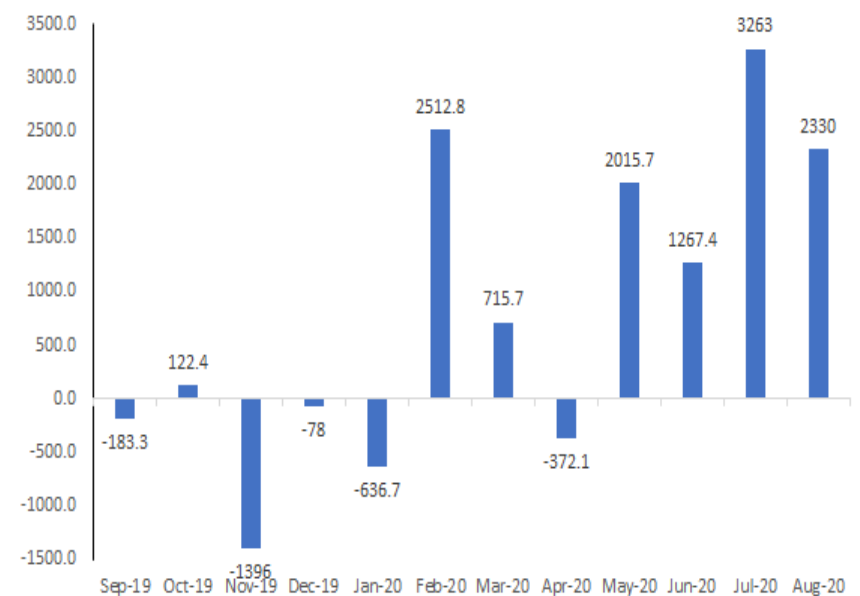
Indonesia has experienced a monthly trade surplus for 4 months in a row since May 2020. The surplus happened due to the low import and not yet able to follow the recovering export value. This shows that Indonesia's production rate is still very low, because most of the domestic productions still rely on imported raw material. For the September trade balance projection, it is predicted to still be in the surplus level with USD 2.06 billion.

BI Benchmark Rate (%)



Source: Bloomberg, NHKSI Research

Indonesia Trade Balance (USD Mn)

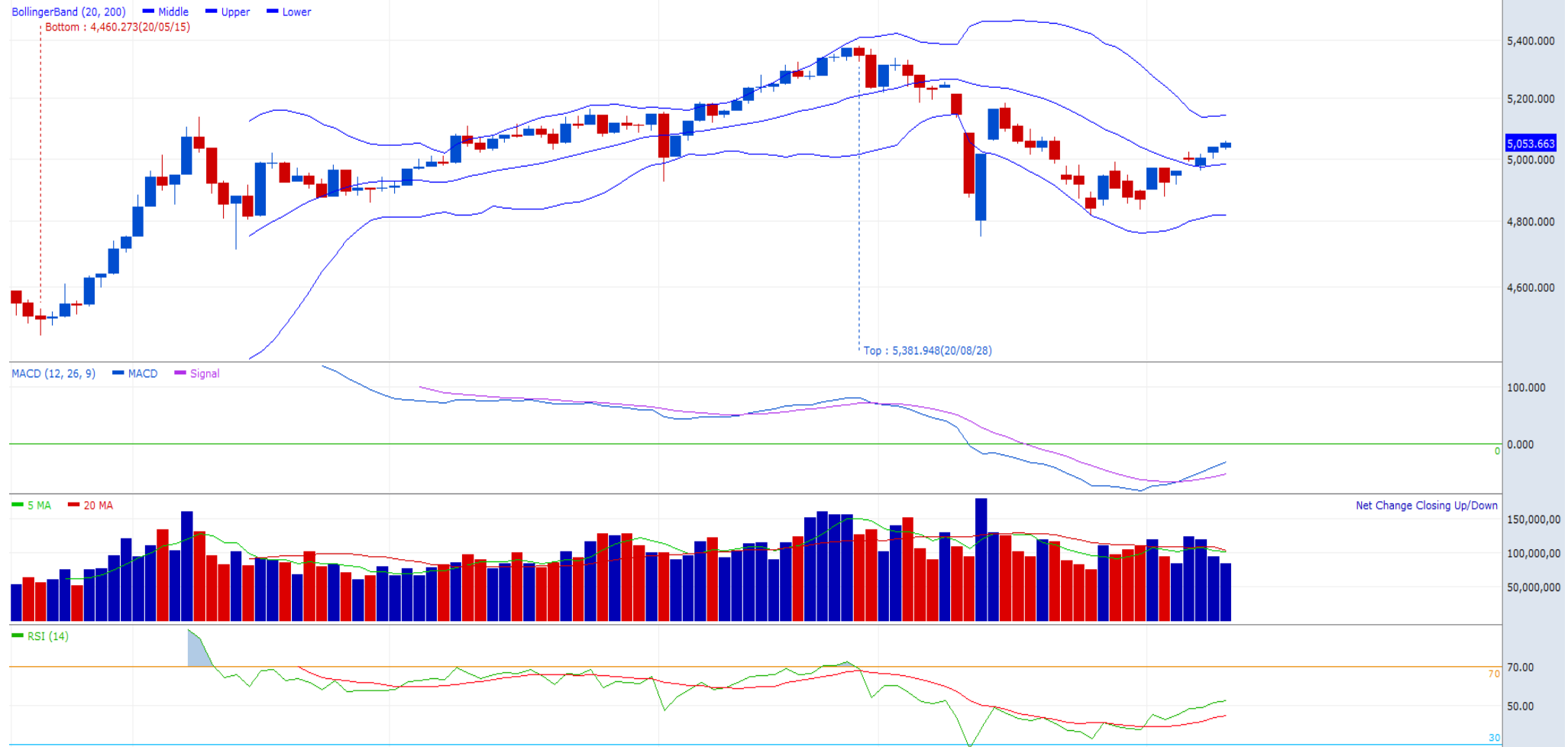


Source: Bloomberg, NHKSI Research

JCI Index

Middle	4983.319	Upper Limit	5144.92	Lower Limit	4821.719	MACD	-31.167
Signal	-51.607	RSI	52.49	Signal	44.94	Support	4980
Resistance	5130						

Last : 5,053.663 ▲ 14.521(0.29%) Volume : 84,639,804



Kalender Ekonomi

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Tuesday, 13-Oct	UK	13:00	Jobless Claims Change	Sep	--	73.7k
	GE	13:00	CPI MoM	Sep	-0.2%	-0.2%
	GE	13:00	CPI YoY	Sep	-0.2%	-0.2%
	ID	14:20	Bank Indonesia 7D Reverse Repo	Oct	4.00%	4.00%
	GE	16:00	ZEW Survey Current Situation	Oct	-63	-66.2
	US	19:30	CPI MoM	Sep	0.2%	0.4%
Wednesday, 14-Oct	US	18:00	MBA Mortgage Applications	Oct	--	4.6%
	US	19:30	PPI Final Demand MoM	Sep	0.1%	0.3%
Thursday, 15-Oct	ID	11:00	Trade Balance	Sep	\$2060m	\$2330m
	US	19:30	Initial Jobless Claims	Oct	--	840k
	US	19:30	Empire Manufacturing	Oct	12	17
Friday, 16-Oct	EC	16:00	CPI MoM	Sep	0.1%	0.1%
	EC	16:00	CPI YoY	Sep	-0.3%	-0.3%
	US	19:30	Retail Sales Advance MoM	Sep	0.7%	0.6%
	US	20:15	Industrial Production MoM	Sep	0.6%	0.4%
	US	21:00	U. of Mich. Sentiment	Oct	80	80.4

Source: Bloomberg, NHKSI Research

Kalender Aksi Korporasi

Date	Event	Company
Monday, 12-Oct	RUPS Cum Dividend	TRIL ASGR, XISB
Tuesday, 13-Oct	RUPS	IPCM
Wednesday, 14-Oct	RUPS	BKSL
Thursday, 15-Oct	RUPS	MPPA, BULL
Friday, 16-Oct	Right Issue	DNAR

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						(10.2)	2,091.7							
BBCA	28,900	33,425	34,000	Buy	17.6	(4.8)	712.5	25.5x	4.2x	17.0	1.9	6.6	(5.0)	1.1
BBRI	3,150	4,400	4,000	Buy	27.0	(20.5)	388.5	13.6x	2.1x	15.2	5.3	(2.1)	(37.2)	1.3
BMNI	4,670	7,850	6,000	Buy	28.5	(30.8)	87.1	7.1x	0.8x	10.9	4.4	(1.5)	(41.6)	1.5
BMRI	5,450	7,675	7,000	Buy	28.4	(15.2)	254.3	10.5x	1.4x	13.3	6.5	4.1	(23.9)	1.4
Consumer						(11.9)	1,078.4							
GGRM	43,875	53,000	59,600	Buy	35.8	(11.3)	84.4	8.1x	1.5x	21.0	N/A	1.7	(10.7)	0.9
KINO	2,980	3,430	2,950	Hold	(1.0)	(29.0)	4.3	15.6x	1.6x	10.7	3.6	(1.3)	(67.6)	0.9
ICBP	10,075	11,150	12,150	Buy	20.6	(16.0)	117.5	20.1x	4.1x	22.7	2.1	4.1	31.2	0.8
KLBF	1,600	1,620	1,870	Buy	16.9	(3.0)	75.0	28.4x	4.6x	17.0	1.3	3.8	10.3	1.0
Infrastructure						(31.3)	577.10							
TLKM	2,700	3,917	3,800	Buy	40.7	(33.6)	267.5	14.4x	2.8x	19.6	5.7	(3.6)	(0.8)	1.0
JSMR	3,830	5,175	4,550	Buy	18.8	(30.4)	27.8	22.2x	1.5x	6.9	0.4	(51.0)	(90.0)	1.4
EXCL	2,200	3,150	3,350	Buy	52.3	(36.0)	23.6	10.8x	1.1x	11.1	0.9	6.7	526.9	1.1
TOWR	1,025	805	1,310	Buy	27.8	61.4	52.3	19.5x	5.6x	31.1	2.3	21.7	30.0	1.0
PGAS	980	2,170	1,400	Buy	42.9	(51.2)	23.8	79.7x	0.6x	0.8	4.2	(17.9)	(85.0)	1.6
TBIG	1,335	1,230	1,400	Hold	4.9	4.3	30.2	29.4x	5.1x	21.9	2.1	13.2	33.8	1.0
Trade						(20.3)	563.7							
UNTR	22,600	21,525	19,000	Sell	(15.9)	12.7	84.3	8.6x	1.4x	17.3	4.3	(23.4)	(28.3)	0.9
MAPI	590	1,055	870	Buy	47.5	(40.7)	9.8	371.7x	1.8x	0.5	N/A	(32.2)	N/A	1.2
ERAA	1,595	1,795	2,000	Buy	25.4	3.9	5.1	17.0x	1.0x	6.3	N/A	(6.3)	5.9	1.5
Property						(32.8)	316.7							
CTRA	685	1,040	780	Hold	13.9	(37.7)	12.7	12.2x	0.9x	7.0	1.2	(10.8)	(43.8)	1.5
WSKT	545	1,485	820	Buy	50.5	(63.8)	7.4	N/A	0.5x	(7.0)	0.6	(45.7)	N/A	1.8
WIKA	1,160	1,990	1,410	Buy	21.6	(36.1)	10.4	6.3x	0.8x	11.3	4.4	(37.2)	(71.9)	1.8
PTPP	865	1,585	1,250	Buy	44.5	(45.8)	5.4	9.2x	0.5x	4.9	3.9	(36.6)	(94.5)	1.8
PWON	370	570	440	Buy	18.9	(38.3)	17.8	9.7x	1.3x	13.2	N/A	(43.7)	(64.7)	1.6
Basic Ind.						(9.3)	600.6							
SMGR	9,650	12,000	11,500	Buy	19.2	(15.0)	57.2	22.7x	1.7x	8.0	0.4	(2.0)	25.6	1.3
CPIN	6,000	6,500	6,660	Hold	11.0	18.2	98.4	27.7x	4.3x	17.0	1.4	(6.7)	(3.8)	1.5
Misc Ind.						(23.1)	262.8							
ASII	4,750	6,925	5,575	Buy	17.4	(24.3)	192.3	8.3x	1.3x	15.9	3.9	(22.7)	16.1	1.3
Mining						(15.5)	312.5							
TINS	710	825	1,200	Buy	69.0	(18.9)	5.3	N/A	1.1x	(21.4)	N/A	(18.5)	N/A	1.6
PTBA	1,990	2,660	2,900	Buy	45.7	(11.2)	22.9	6.6x	1.4x	21.0	16.4	(15.1)	(38.5)	1.1
INCO	3,500	3,640	4,500	Buy	28.6	(2.5)	34.8	17.3x	1.2x	7.1	N/A	23.3	N/A	1.6
ANTM	720	840	1,100	Buy	52.8	(27.3)	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	(35.8)	9.2	6.8x	0.7x	10.1	15.7	(26.9)	(50.0)	1.2
ADRO	1,130	1,555	1,700	Buy	50.4	(11.0)	36.1	9.4x	0.7x	7.0	9.7	(23.2)	(47.7)	1.4
MEDC	346	732	931	Buy	169.1	(35.1)	8.7	N/A	0.4x	(12.8)	N/A	(7.6)	N/A	1.6
Agriculture						(15.7)	74.3							
AALI	10,675	14,575	14,200	Buy	33.0	(2.3)	20.5	36.7x	1.1x	3.0	0.9	6.5	796.6	1.5
LSIP	920	1,485	1,200	Buy	30.4	(24.0)	6.3	18.7x	0.7x	4.0	1.6	(1.9)	550.0	1.7

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