

Weekly Brief (Sept 07th – Sept 11th)

Summary:

Last week review: Positive domestic sentiment, such as the release of PMI and inflation data, were not able to support the JCI in the green. Meanwhile, during the past week, foreign investors still recorded a large amount of net sell in the stock market.

This week's outlook: The movement of the JCI this week is expected to be under pressure after a long rally. The continued outflow of foreign funds and the increasing number of Covid-19 cases will be the pressuring sentiment. On the other hand, data releases on Foreign Exchange Reserves and Consumer Confidence Index (IKK) are expected to provide a better picture of economic conditions.

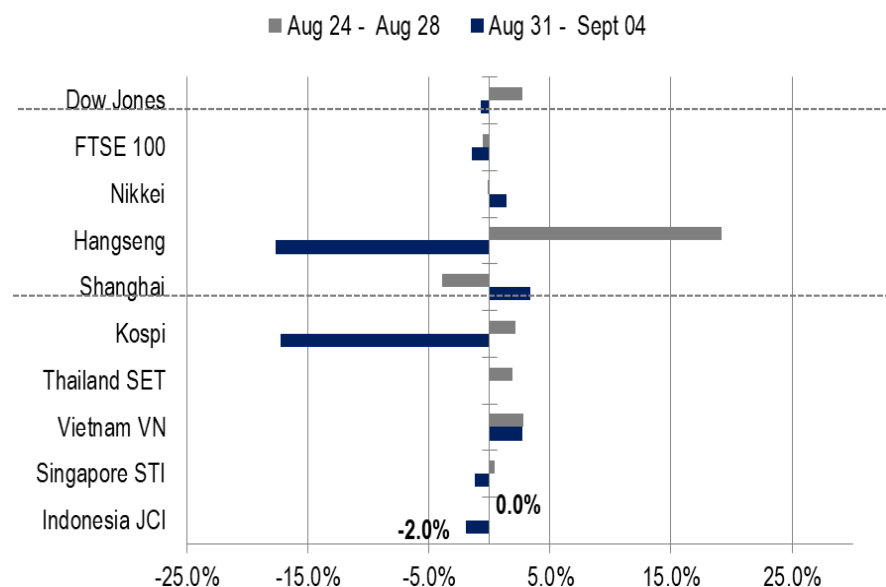
Last Week's JCI Movement

| | |
|--------------|--|
| •JCI Index | : 5,239.99 (-2.0%) |
| Foreign Flow | : Net sell of IDR1.3 trillion (vs. last week's net sell of IDR913 billion) |
| USD/IDR | : 14,768 (-0.93%) |

JCI Closed on a Decline

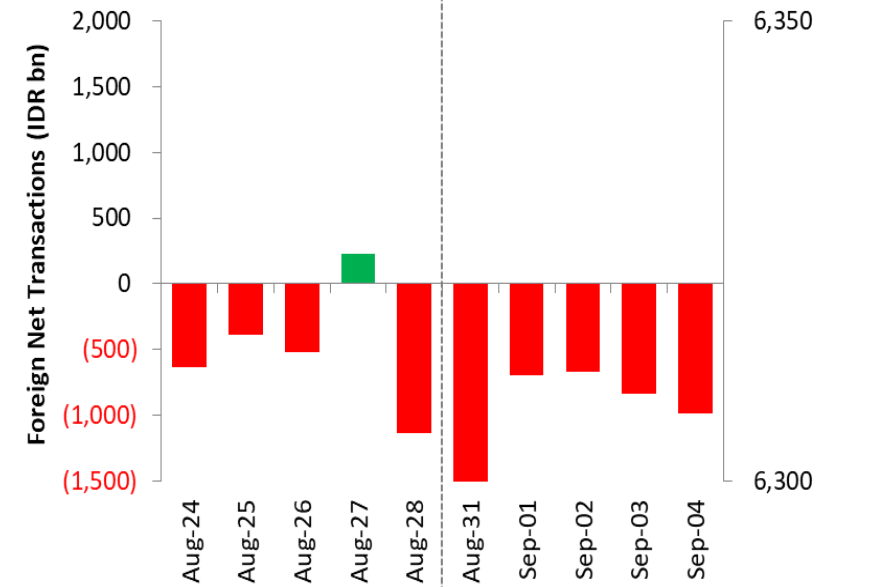
- 2 Sept - The JCI closed higher supported by the release of economic data such as the PMI which recorded at a level of 50.8 in August 2020, an increase from July's 46.9. But on the other hand, Statistics Indonesia (BPS) recorded a decrease in the Consumer Price Index (CPI) or deflation of 0.05 mom in August 2020.
- 3 Sept - JCI closed lower due to pressure from the global market and negative economic predictions in the third quarter. Meanwhile, Sri Mulyani also revised Indonesia's economic target in 2020 to -1.1% - 0.2%.
- 4 Sept - JCI continued its decline as foreign investors once again booked a net sell of IDR991 billion.

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

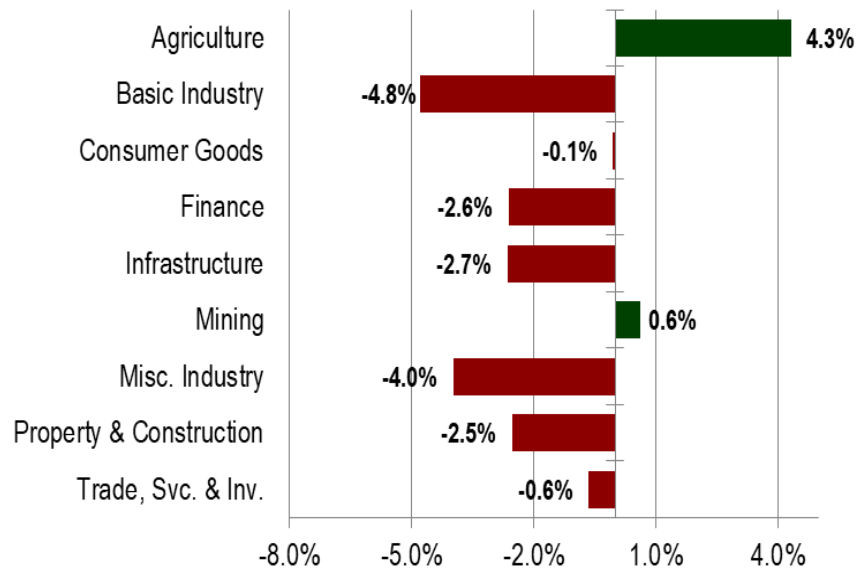
- Agricultural Sector**

Over the past week, the agricultural sector recorded the biggest gain with 4.3% in line with the upward rally of palm oil prices for November 2020 contracts for six consecutive trading days. This increase was triggered by market concerns about production pressures for September to 4Q20 period. The shares of CPO producers such as AALI (+ 10.8%), LSIP (+ 6.1%) went up during the past week.

- Basic Industry Sector**

The basic industry sector recorded the largest decline of -4.8%, where one of the pressures for this sector came from TPIA which fell by 3.8% during the past week. For the record, the Chandra Asri Petrochemical Phase I 2020 Corporate Bonds III, which was issued on August 26, was fully subscribed by the market.

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| WOOD | 22.6 | BBRI | -787.9 |
| BRIS | 20.7 | BBNI | -712.8 |
| BSDE | 20.3 | TLKM | -490.4 |
| SMRA | 18.9 | BBCA | -391.6 |
| MYOR | 17.1 | ASII | -326.1 |

Source: NHKSI Research

Outlook This Week

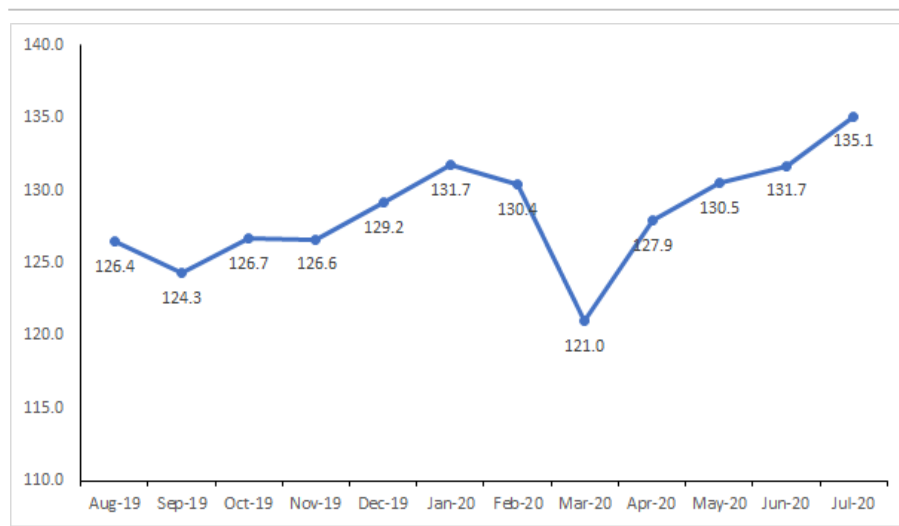
- Indonesian Foreign Exchange Reserves Data Release**

On its latest position at the end of July 2020, foreign exchange reserves were recorded at 135.1 billion US dollars which is the highest position in history. This figure is equivalent to 9 months of import financing needs or far above the international adequacy standard of 3 months of imports. The issuance of global debt securities was the main factor for this increase. With a strong foreign exchange reserve position, it is hoped that investors will be more convinced of the solid foundations of the Indonesian economy.

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

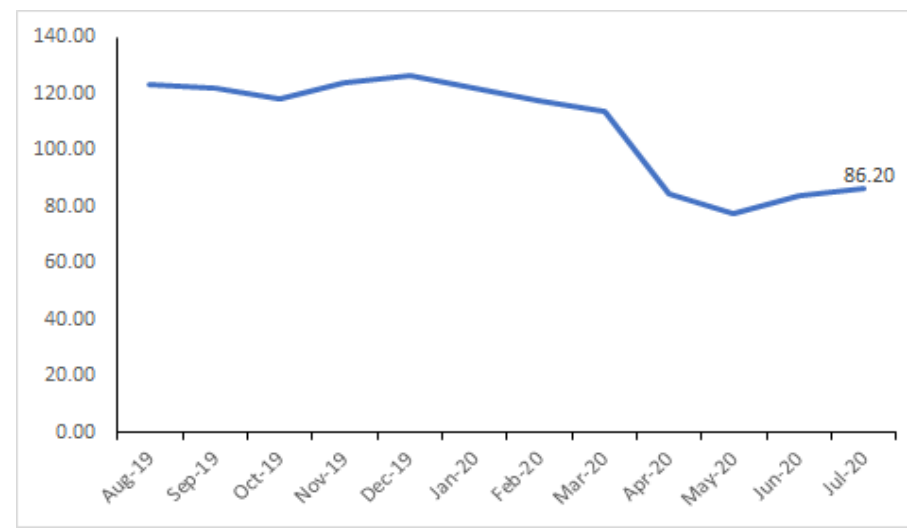
The upward trend in the Consumer Confidence Index (IKK) has begun since last June following the end of PSBB. The disbursements of various stimulus from the government through the National Economic Recovery (PEN) program also helps increase consumer optimism. However, the still increasing number of Covid-19 cases will be an obstacle to the CCI, which is currently at the 86.2 level or still far from the ideal number at level 100.

Indonesia Foreign Reserves



Source: Bloomberg, NHKSI Research

Consumer Confidence Index

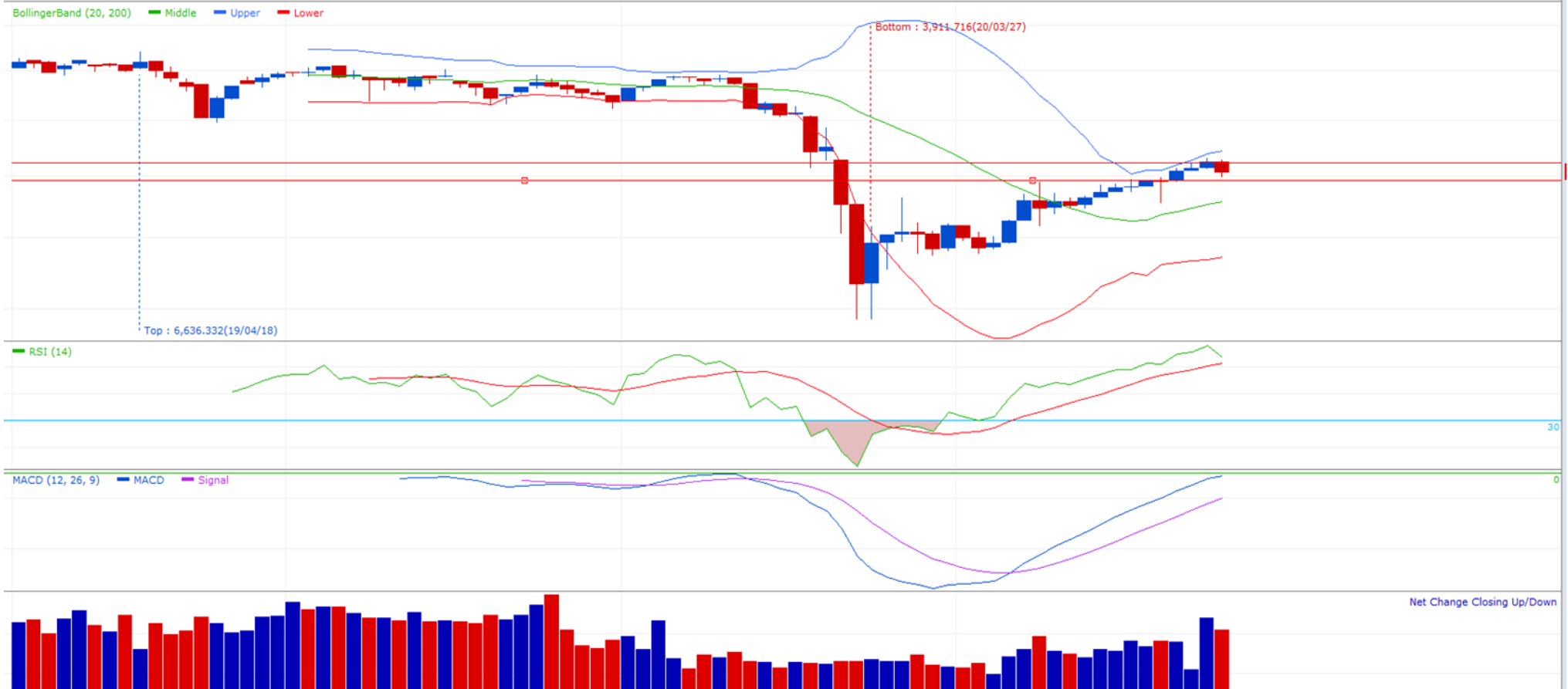


Source: Bloomberg, NHKSI Research

JCI Index

| | | | | | | | |
|-------|---------|-------------|---------|--------|---------|------------|-------|
| Open | 5,346.6 | Middle | 4,942.9 | MACD | -22.689 | Support | 5,150 |
| High | 5,369.4 | Upper Limit | 5,461.0 | RSI | 99.751 | Resistance | 5,335 |
| Low | 5,188.6 | Lower Limit | 4,424.9 | SIGNAL | -11.33 | | |
| Close | 5,239.8 | | | | | | |

Last : 5,239.851 ▼ 40.962(0.78%) Volume : 107,088,695



Kalender Ekonomi

| Date | Country | Hour JKT | Event | Period | Consensus | Previous |
|--------------------------|---------|----------|------------------------------|--------|-----------|-----------|
| Monday, 07-Sep | ID | 10:00 | Foreign Reserves | Aug | -- | \$135.10b |
| | GE | 13:00 | Industrial Production SA MoM | Jul | 4.5% | 8.9% |
| Tuesday, 08-Sep | EC | 16:00 | GDP SA QoQ | 2Q20 | -12.1% | -12.1% |
| | EC | 16:00 | GDP SA YoY | 2Q20 | -15.0% | -15.0% |
| | ID | -- | Consumer Confidence Index | Aug | -- | 86.2 |
| Wednesday, 09-Sep | CH | 08:30 | PPI YoY | Aug | -1.9% | -2.4% |
| | CH | 08:30 | CPI YoY | Aug | 2.4% | 2.7% |
| | US | 16:00 | MBA Mortgage Applications | Sep | -- | -2.0% |
| Thursday, 10-Sep | EC | 18:45 | ECB Main Refinancing Rate | Sep | 0.0% | 0.0% |
| | EC | 18:45 | ECB Deposit Facility Rate | Sep | -0.5% | -0.5% |
| | US | 19:30 | PPI Final Demand MoM | Aug | 0.2% | 0.6% |
| Friday, 11-Sep | UK | 13:00 | Industrial Production MoM | Jul | 4.2% | 9.3% |
| | UK | 13:00 | Manufacturing Production MoM | Jul | -- | 11.0% |
| | GE | 13:00 | CPI YoY | Aug | 0.0% | 0.0% |
| | US | 19:30 | CPI MoM | Aug | 0.3% | 0.6% |

Source: Bloomberg

Kalender Aksi Korporasi

| Date | Event | Company |
|--------------------------|--------------|------------------------------|
| Monday, 07-Sep | Cum Dividend | XISC, XIIT, TEBE, GEMA, DPNS |
| | RUPS | INCO |
| | IPO | SCNP, KMDS, BBSI |
| Tuesday, 08-Sep | IPO | SOHO, PURI |
| | Right Issue | MEDC |
| Wednesday, 09-Sep | RUPS | POLY |
| Thursday, 10-Sep | IPO | ROCK, HOMI |
| | RUPS | LMAS, JAYA |

Source: RTI Analytics

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 | | | | | | (6.9) | 2,254.0 | | | | | | | | |
| BBCA | 31,650 | 33,425 | 30,100 | Hold | (4.9) | 5.2 | 780.3 | 27.9x | 4.6x | 17.0 | 1.8 | 6.6 | (5.0) | 1.1 | |
| BBRI | 3,560 | 4,400 | 3,010 | Sell | (15.4) | (14.8) | 439.1 | 15.4x | 2.5x | 18.6 | 4.7 | #N/A | N/A | (37.2) | 1.3 |
| Consumer | | | | | | (19.3) | 1,120.7 | | | | | | | | |
| GGRM | 54,175 | 53,000 | 59,600 | Hold | 10.0 | (29.3) | 104.2 | 10.0x | 1.9x | 21.0 | 4.8 | 1.7 | (10.7) | 0.9 | |
| KINO | 3,180 | 3,430 | 2,950 | Hold | (7.2) | 2.6 | 4.5 | 16.6x | 1.7x | 10.7 | 3.4 | (1.3) | (67.6) | 0.9 | |
| ICBP | 10,100 | 11,150 | 9,850 | Hold | (2.5) | (12.4) | 117.8 | 20.2x | 4.1x | 22.7 | 2.1 | 4.1 | 31.2 | 0.8 | |
| KLBF | 1,605 | 1,620 | 1,870 | Buy | 16.5 | 2.6 | 75.2 | 28.5x | 4.6x | 17.0 | 1.2 | 3.8 | 10.3 | 1.1 | |
| Infrastructure | | | | | | (27.5) | 623.00 | | | | | | | | |
| TLKM | 3,000 | 3,917 | 3,800 | Buy | 26.7 | (29.9) | 297.2 | 16.0x | 3.1x | 19.6 | 5.1 | (3.6) | (0.8) | 1.0 | |
| JSMR | 3,980 | 5,175 | 4,550 | Hold | 14.3 | (30.8) | 28.9 | 23.1x | 1.5x | 6.9 | 0.4 | (51.0) | (90.0) | 1.3 | |
| EXCL | 2,520 | 3,150 | 3,350 | Buy | 32.9 | (22.5) | 27.0 | 12.4x | 1.3x | 11.1 | 0.8 | 8.9 | 2740.0 | 1.1 | |
| TOWR | 1,055 | 805 | 1,140 | Hold | 8.1 | 43.5 | 53.8 | 20.0x | 5.7x | 31.1 | 2.3 | 21.7 | 30.0 | 1.0 | |
| PGAS | 1,305 | 2,170 | 1,400 | Hold | 7.3 | (34.6) | 31.6 | 42.9x | 0.8x | 1.9 | 3.2 | (0.3) | (26.6) | 1.6 | |
| TBIG | 1,260 | 1,230 | 1,400 | Hold | 11.1 | 41.3 | 28.5 | 27.7x | 4.8x | 21.9 | 2.2 | 13.2 | 33.8 | 1.0 | |
| Trade | | | | | | (19.8) | 563.0 | | | | | | | | |
| UNTR | 23,475 | 21,525 | 19,000 | Sell | (19.1) | 13.4 | 87.6 | 8.9x | 1.5x | 17.3 | 5.2 | (23.4) | (28.3) | 0.9 | |
| MAPI | 690 | 1,055 | 870 | Buy | 26.1 | (33.0) | 11.5 | 434.7x | 2.1x | 0.5 | N/A | (32.2) | N/A | 1.2 | |
| ERAA | 1,765 | 1,795 | 2,000 | Hold | 13.3 | (8.5) | 5.6 | 18.8x | 1.1x | 6.3 | N/A | (6.3) | 5.9 | 1.5 | |
| Property | | | | | | (41.2) | 281.9 | | | | | | | | |
| CTRA | 710 | 1,040 | 810 | Hold | 14.1 | (42.7) | 13.2 | 12.7x | 0.9x | 7.0 | 1.1 | (10.8) | (43.8) | 1.5 | |
| WSKT | 660 | 1,485 | 820 | Buy | 24.2 | (64.4) | 9.0 | 33.9x | 0.6x | 1.5 | 0.5 | (51.9) | (94.1) | 1.8 | |
| WIKR | 1,285 | 1,990 | 1,840 | Buy | 43.2 | (44.4) | 11.5 | 7.0x | 0.8x | 14.3 | 4.0 | (37.2) | (71.9) | 1.8 | |
| PWON | 412 | 570 | 545 | Buy | 32.3 | (40.3) | 19.8 | 10.8x | 1.4x | 13.2 | 1.7 | (43.7) | (64.7) | 1.5 | |
| Basic Ind. | | | | | | (10.2) | 620.0 | | | | | | | | |
| SMGR | 9,550 | 12,000 | 11,500 | Buy | 20.4 | (27.9) | 56.6 | 22.5x | 1.7x | 8.0 | 0.4 | (2.0) | 25.6 | 1.3 | |
| Misc Ind. | | | | | | (18.3) | 290.1 | | | | | | | | |
| ASII | 5,300 | 6,925 | 5,350 | Hold | 0.9 | (17.5) | 214.6 | 9.2x | 1.4x | 15.9 | 4.0 | (22.7) | 16.1 | 1.3 | |
| Mining | | | | | | (11.0) | 329.4 | | | | | | | | |
| TINS | 780 | 825 | 750 | Hold | (3.8) | (24.3) | 5.8 | N/A | 1.2x | (21.4) | N/A | (18.5) | N/A | 1.5 | |
| PTBA | 2,110 | 2,660 | 2,900 | Buy | 37.4 | (13.9) | 24.3 | 6.1x | 1.2x | 20.6 | 15.5 | (4.0) | (25.0) | 1.1 | |
| INCO | 3,740 | 3,640 | 3,500 | Hold | (6.4) | 7.5 | 37.2 | 18.5x | 1.3x | 7.1 | N/A | 23.3 | N/A | 1.6 | |
| ANTM | 795 | 840 | 850 | Hold | 6.9 | (26.7) | 19.1 | N/A | 1.1x | (0.5) | 0.4 | (36.0) | (80.2) | 1.5 | |
| Agriculture | | | | | | (13.1) | 76.0 | | | | | | | | |
| AAJI | 10,225 | 14,575 | 14,200 | Buy | 38.9 | (4.0) | 19.7 | 35.2x | 1.0x | 3.0 | 0.5 | 6.5 | 796.6 | 1.5 | |
| LSIP | 985 | 1,485 | 1,200 | Buy | 21.8 | (17.2) | 6.7 | 20.0x | 0.8x | 4.0 | 1.5 | (1.9) | 550.0 | 1.6 | |

Source : Bloomberg, NHKSI Research

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