

Weekly Brief (Sep 28th – Oct 02nd)

Summary:

Last week review: Covid-19 new cases which keep increasing and the speculation of recession in quarter III are negative sentiments for the JCI. Meanwhile, foreign investors continued net sell in the past week.

This week's outlook: This week, investors are looking forward to monthly domestic economic data releases such as Inflation and PMI Manufacture. The low demand means Indonesia is still expected to experience deflation in September 2020. As for the re-implementation of PSBB, it has the potential to lower the optimism level of manufacturing business player.

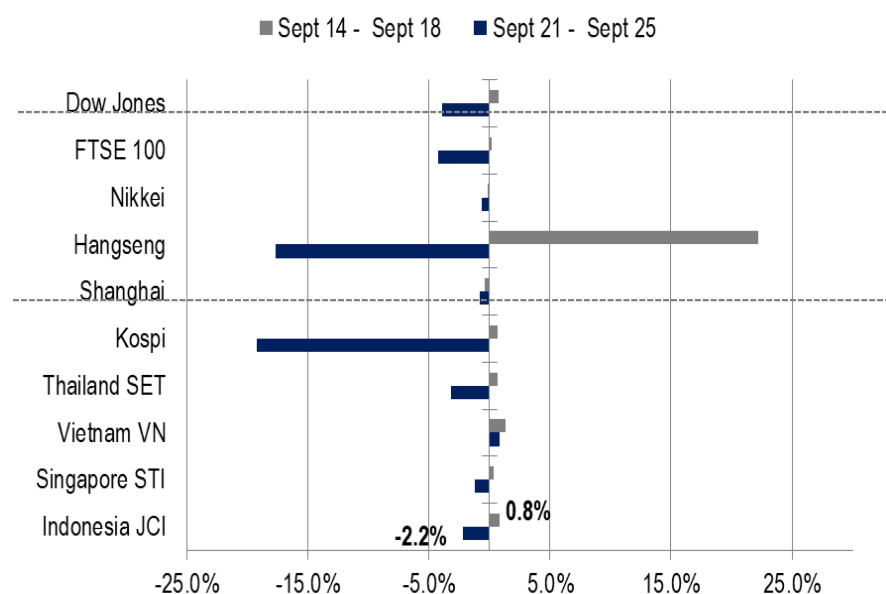
Last Week's JCI Movement

• JCI Index : 4,945.79 (-2.2%)
 Foreign Flow : Net sell of IDR2.5 trillion (vs. last week's net sell of IDR3.8 trillion)
 USD/IDR : 14,873 (-0.94%)

JCI Closed Higher

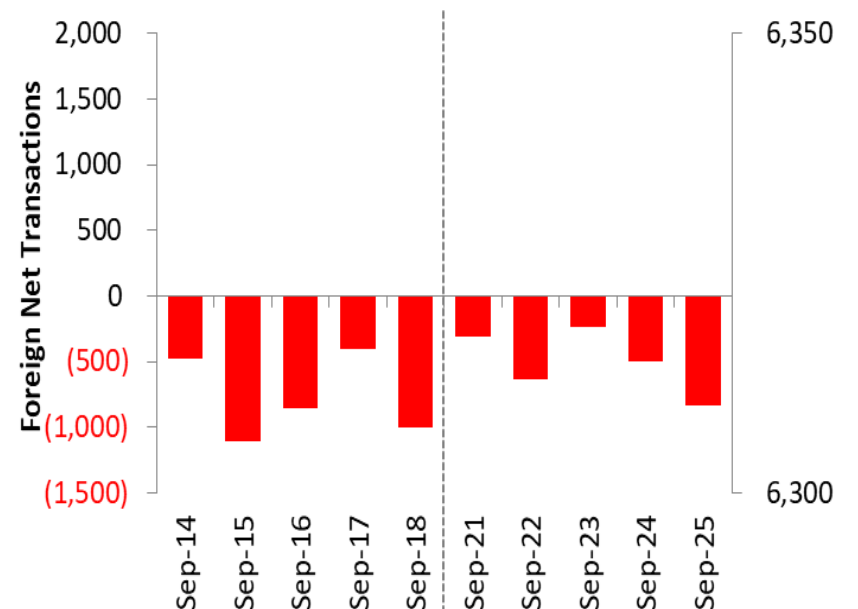
- 22 Sept - JCI closed lower after the Finance Minister Sri Mulyani revised economic growth projection in quarter III 2020 to be at range of -2.9% to -1.1%. The number is higher compared to the initial prediction of -2.1% to 0%.
- 24 Sept - Covid-19 cases that continues to increase caused DKI Jakarta Governor Anies Baswedan to continue PSBB for 2 weeks until 11 October 2020. On the other hand, JCI was still in the red followed by foreign outflow from investors.
- 25 Sept - After four days of declines, JCI finally rebounded on Friday by 2.13%

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

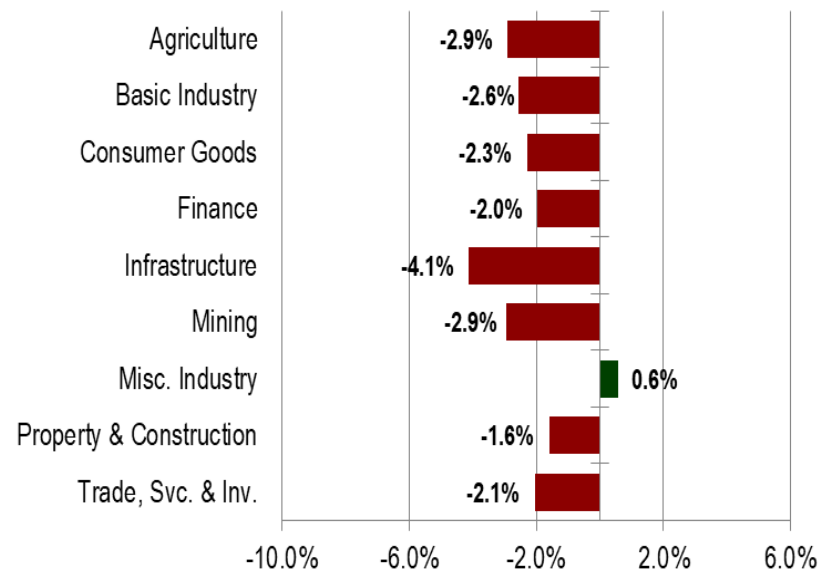
- Miscellaneous Industry Sector**

The miscellaneous industry sector was the only one that booked a slight increase in the past week of 0.6%. The discourse of new car tax relaxation to 0% which will be carried out until December 2020, is a positive catalyst for car manufacture companies. This pushed ASII shares higher by 1.67% during the last week.

- Infrastructure Sector**

During the past week, the majority of sectors on the JCI declined. The infrastructure sector recorded the largest drop of 4.1%. This was partly caused by TLKM (-7.4%), triggered by negative sentiment regarding the default on financial obligations of PT Tiphone Mobile Indonesia Tbk. (TELE). For the record, TLKM has 24.03% ownership of TELE shares under the name of PT PINS Indonesia.

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Foreign Transaction

Top Buy	NB Val.	Top Sell	NS Val.
UNTR	65.1	BBCA	-687.6
MDKA	55.7	TLKM	-330.7
TOWR	42.9	BMRI	-161.8
ASII	21.4	BBRI	-100.9
ACES	15.2	BBNI	-88.6

Source: NHKSI Research

Outlook This Week

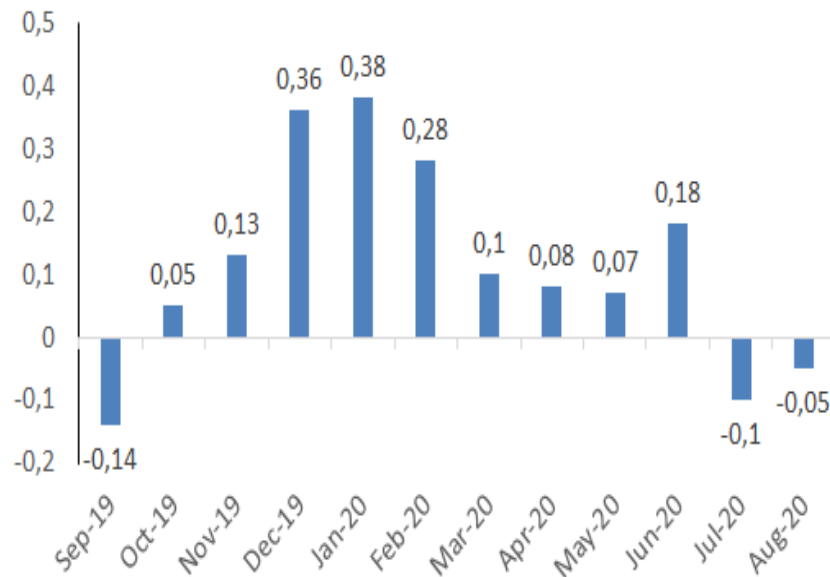
- **Consumer Price Index (IHK) September 2020 Data Release**

The low demand marked by weak purchasing power caused Indonesia's inflation rate to still be at a low level. Deflation that has been happening for the last 2 months caused the yearly inflation rate to be at level 1.32% or under Bank Indonesia's target. As for September 2020, BI predicted Indonesia will still experience monthly deflation of -0.01%. Therefore, various stimulus program from the government is expected to continue to maintain purchasing power.

- **PMI Manufacture September 2020 Data Release**

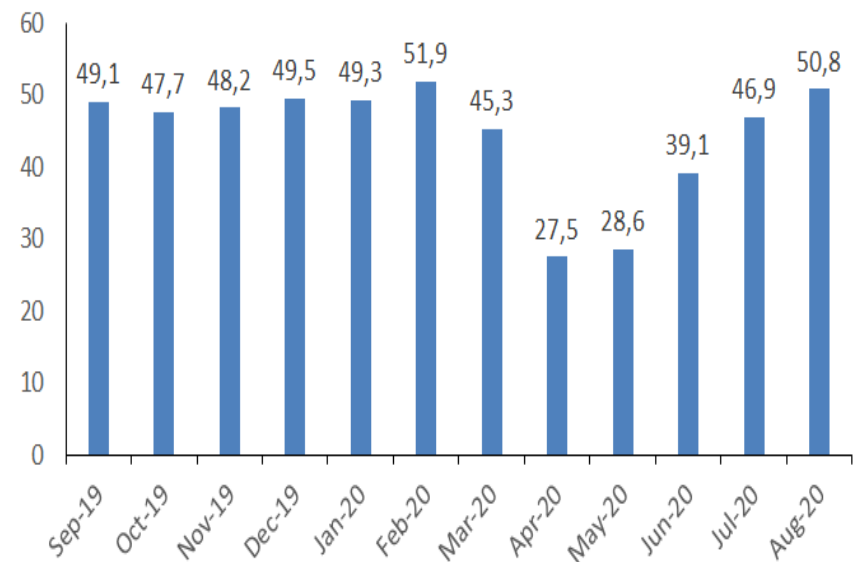
Indonesia's PMI Manufacture Indicator has experienced an upward trend since its lowest level in April 2020. In August 2020, PMI Manufacture level has been above 50 or entering the expansion zone. However, the re-implementation of PSBB in Jakarta has the potential to lower manufacturer's optimism level and causing PMI to return to contraction area.

CPI Indonesia



Source: Bloomberg, NHKSI Research

PMI Manufacture Indonesia



Source: Bloomberg, NHKSI Research

Kalender Ekonomi

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Tuesday, 29-Sep	US	21:00	Conf. Board Consumer Confidence	Sep	90	84.8
Wednesday, 30-Sep	CH	08:00	Manufacturing PMI	Sep	51.5	51
	UK	13:00	GDP QoQ	2Q F	-20.4%	-20.4%
	UK	13:00	GDP YoY	2Q F	-21.7%	-21.7%
	US	18:00	MBA Mortgage Applications	25-Sep	--	6.8%
	US	19:30	GDP Annualized QoQ	2Q T	-31.6%	-31.7%
Thursday, 01-Oct	ID	07:30	Markit Indonesia PMI Mfg	Sep	--	50.8
	ID	11:00	CPI YoY	Sep	--	1.32%
	EC	15:00	Markit Eurozone Manufacturing PMI	Sep F	53.7	53.7
	UK	15:30	Markit UK PMI Manufacturing SA	Sep F	54.3	54.3
	US	19:30	Initial Jobless Claims	26-Sep	--	870k
	US	20:45	Markit US Manufacturing PMI	Sep F	--	53.5
Friday, 02-Oct	US	19:30	Unemployment Rate	Sep	8.2%	8.4%
	US	21:00	U. of Mich. Sentiment	Sep F	79	78.9
	US	21:00	Durable Goods Orders	Aug F	--	--

Source: Bloomberg

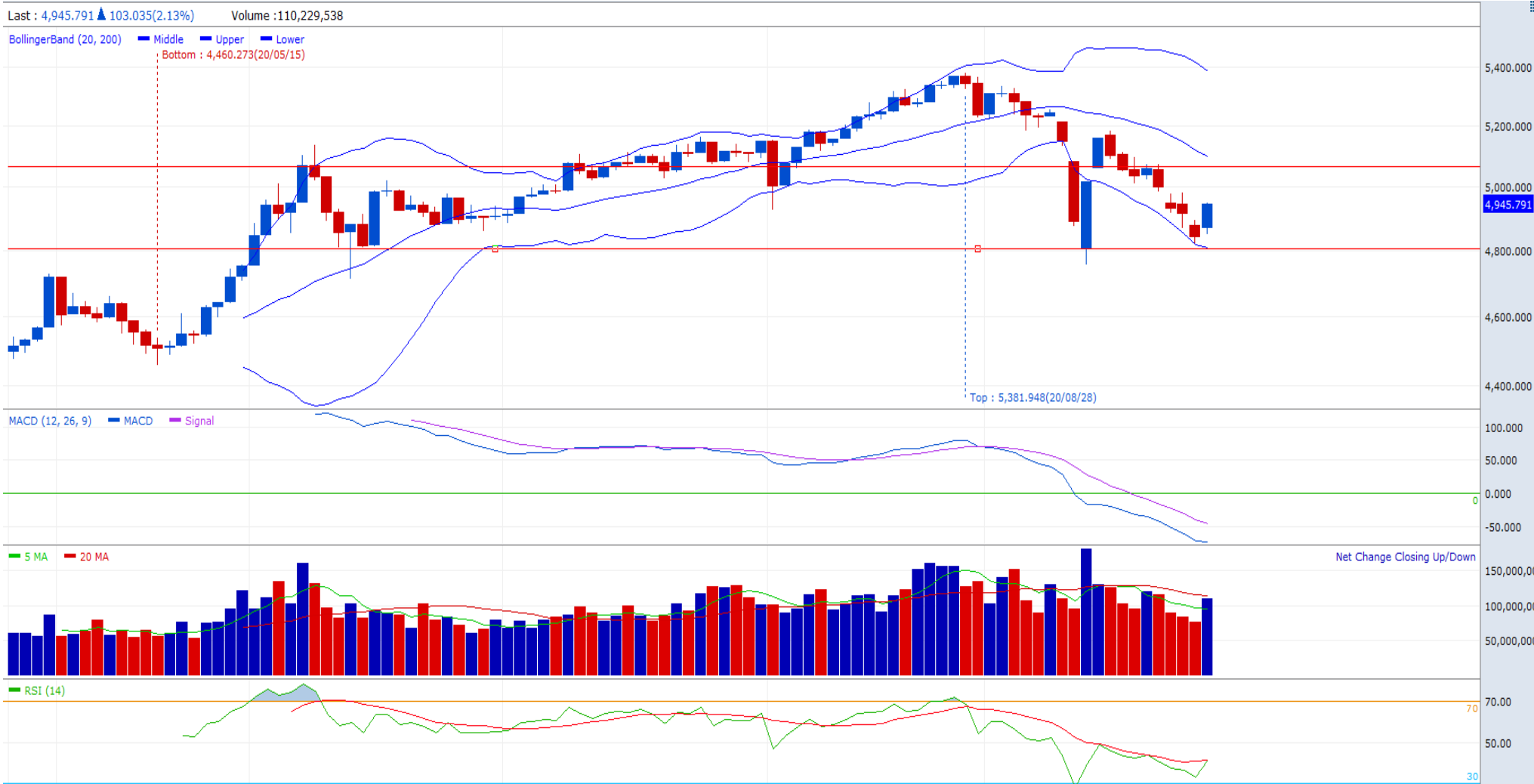
Kalender Aksi Korporasi

Date	Event	Company
Monday, 28-Sep	Cum Dividend	HEXA
Wednesday, 30-Sep	RUPS	TOPS, GLOB, BBYB, AISA
Friday, 02-Oct	RUPS	MBTO, KOBX, JSKY, BEKS

Source: RTI Analytics

JCI Index

Open	4,867.96	Middle	5,098.61	MACD	-72.53	Support	4,805
High	4,949.30	Upper Limit	5,389.49	RSI	41.31	Resistance	5,066
Low	4,848.02	Lower Limit	4,807.74	SIGNAL	41.29		
Close	4,945.79						



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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