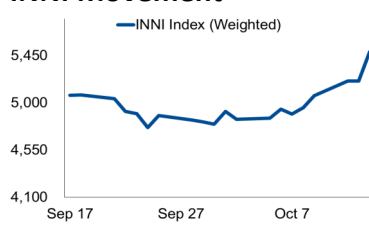


Morning Brief

JCI Movement



INNI Movement



Today's Outlook:

September Trade Balance Predicted to Surplus

US major markets continued their declines on trade closing (14/10/2020). The decline was triggered by the finance sector as some of the US's largest banks started to release the Q3/2020 financial performance report.

Domestically, investors are paying close attention to the Indonesia trade balance release today. By consensus, the trade balance position is predicted to still be a surplus by USD2.6 billion. Technically, the JCI rally has brought it to the resistance area with the RSI indicator starting to show signs of overbought.

Company News

- CTRA : Slashes Capex Allocation
- ADRO : Has Not Planned on Adding Exports to China
- PTPP : PKPU Request Revoked
- BMRI : Record the Increase in Undisbursed Loans

Domestic & Global News

- BI Records the Increased Production Capacity Utilization in Q3 2020
- U.S. Producer Prices Accelerate in September

Sectors

	Last	Chg.	%
Mining	1430,30	51,30	3,72%
Infrastructure, Utilities, Transportation	841,18	13,99	1,69%
Trade, Services, and Investment	642,16	9,27	1,46%
Miscellaneous Industry	878,17	11,94	1,38%
Basic Industries	757,81	6,97	0,93%
Finance	1154,50	8,50	0,74%
Consumer Goods	1872,45	-2,71	-0,14%
Agriculture	1183,62	-4,31	-0,36%
Property, Real Estate, and Construction	323,10	-2,99	-0,92%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.00%	4.00%	Real GDP	-5.32%	2.97%
FX Reserve (USD bn)	135.15	137.00	Current Acc (USD bn)	(2.90)	(8.08)
Trd Balance (USD bn)	2.33	3.26	Govt. Spending Yoy	-6.90%	3.75%
Exports Yoy	-8.36%	-9.90%	FDI (USD bn)	4.07	4.60
Imports Yoy	-24.19%	-32.55%	Business Confidence	104.82	105.33
Inflation Yoy	1.42%	1.32%	Cons. Confidence*	83.40	86.20

JCI Index

Oct. 14	5,176.09
Chg.	+43.52pts (+0.85%)
Volume (bn shares)	141.50
Value (IDR tn)	12.15
Adv 213 Dec 217 Unc 287 Untr 126	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
ANTM	999.2	BBCA	487.6
AGRO	672.6	BRIS	357.3
BBRI	647.7	TOWR	355.8
TLKM	509.0	TINS	355.5
KAEF	501.6	BBNI	326.4

Foreign Transaction

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
Buy	2,159		
Sell	2,132		
Net Buy (Sell)	27		
Top Buy	NB Val.	Top Sell	NS Val.
BBNI	127.5	TOWR	72.6
BBRI	107.9	UNTR	55.8
BBCA	79.5	MIKA	24.7
MDKA	24.5	PGAS	20.1
BMRI	18.7	INDF	18.5

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.86%	-0.03%
USDIDR	14,718	-0.05%
KRWIDR	12.84	0.20%

Global Indices

Index	Last	Chg.	%
Dow Jones	28,514.00	(165.81)	-0.58%
S&P 500	3,488.67	(23.26)	-0.66%
FTSE 100	5,935.06	(34.65)	-0.58%
DAX	13,028.06	9.07	0.07%
Nikkei	23,626.73	24.95	0.11%
Hang Seng	24,667.09	17.41	0.07%
Shanghai	3,340.78	(18.97)	-0.57%
KOSPI	2,380.48	(22.67)	-0.94%
EIDO	18.57	0.22	1.20%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,901.5	10.2	0.54%
Crude Oil (USD/B)	41.04	0.84	2.09%
ICE NewCastle (USD/ton)	58.40	0.80	1.39%
LME Nickel (USD/MT)	15,341	301.0	2.00%
LME Tin (USD/MT)	18,300	45.0	0.25%
CPO (MYR/ton)	2,989	(14.0)	-0.47%

CTRA : Slashes Capex Allocation

PT Ciputra Development Tbk (CTRA) decreases its capital expenditure (capex) allocation of 2020 by 30%-40% from its initial budget of IDR1.5 trillion. Estimated capex absorbed by the end of this year is around IDR900 billion - IDR1.05 trillion, or lower than the 2019 capex realization of IDR1.3 trillion. The reduction in capex allocation was carried out to maintain company liquidity in the midst of the Covid-19 pandemic (Kontan)

PTPP : PKPU Request Revoked

PT PP (Persero) Tbk (PTPP) has undergone a trial at the Central Jakarta District Court with the agenda of withdrawing the PKPU request. The court verdict stated that the PKPU petition against PTPP was removed from the commercial case register. Meanwhile, the value and materiality of PTPP's obligations to PKPU applicants was IDR1.75 billion and had been paid IDR915.37 million, so the remaining liability was IDR837.72 million. (Bisnis Indonesia)

ADRO : Has Not Planned on Adding Exports to China

PT Adaro Energy Tbk (ADRO) said that it could not immediately increase the volume of exports to China, even though China stopped importing coal from Australia. This is because ADRO's sales are long term sales contract, and the volume has also been adjusted according to production. Currently, ADRO is targeting coal production of 52 million-54 million tons by the end of 2020, down about 10% from last year's realization. (Kontan)

BMRI : Record the Increase in Undisbursed Loans

PT Bank Mandiri Tbk (BMRI) still recorded an increase in undisbursed loans. As of August 2020, the undisbursed loan at the bank reached IDR176.8 trillion, an increase of 3.4% YoY. Most of the undisbursed loans occur in financing in the wholesale or corporate segment and in the commercial segment from long-term financing and working capital loans. (Bisnis Indonesia)

Domestic & Global News

BI Records the Increased Production Capacity Utilization in Q3 2020

The results of the Business Activity Survey (SKDU) conducted by Bank Indonesia (BI) show that the production capacity utilization in the third quarter of 2020 also increased compared to the previous quarter. The BI survey stated that the used production capacity in the third quarter of 2020 was recorded at 71.77%. This figure is higher than 69.28% in the second quarter of 2020 even though it is still lower than the third quarter of 2019 of 75.42%. (Kontan)

U.S. Producer Prices Accelerate in September

U.S. producer prices increased more than expected in September, leading to the first year-on-year gain since March. The producer price index for final demand rose 0.4% last month after advancing 0.3% in August, the Labor Department said on Wednesday. In the 12 months through September, the PPI increased 0.4% after falling 0.2% in August. (Reuters)

INNI Components

	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						(6.7)	2,201.4							
BBCA	29,500	33,425	34,000	Buy	15.3	(4.5)	727.3	26.0x	4.3x	17.0	1.9	6.6	(5.0)	1.1
BBRI	3,360	4,400	4,000	Buy	19.0	(14.7)	414.4	14.5x	2.2x	15.2	5.0	(2.1)	(37.2)	1.3
BBNI	4,950	7,850	6,000	Buy	21.2	(30.8)	92.3	7.6x	0.8x	10.9	4.2	(1.5)	(41.6)	1.4
BMRI	5,775	7,675	7,000	Buy	21.2	(12.2)	269.5	11.1x	1.5x	13.3	6.1	4.1	(23.9)	1.4
Consumer						(13.9)	1,077.1							
GGRM	44,075	53,000	59,600	Buy	35.2	(19.7)	84.8	8.1x	1.5x	21.0	N/A	1.7	(10.7)	1.0
KINO	3,000	3,430	2,950	Hold	(1.7)	(22.5)	4.3	15.7x	1.6x	10.7	3.6	(1.3)	(67.6)	0.9
ICBP	9,950	11,150	12,150	Buy	22.1	(12.5)	116.0	19.9x	4.0x	22.7	2.2	4.1	31.2	0.8
KLBF	1,590	1,620	1,870	Buy	17.6	(4.2)	74.5	28.3x	4.6x	17.0	1.3	3.8	10.3	1.0
Infrastructure						(30.7)	591.97							
TLKM	2,810	3,917	3,800	Buy	35.2	(31.7)	278.4	15.0x	2.9x	19.6	5.5	(3.6)	(0.8)	1.0
JSMR	3,790	5,175	4,550	Buy	20.1	(33.5)	27.5	22.0x	1.5x	6.9	0.4	(51.0)	(90.0)	1.4
EXCL	2,210	3,150	3,350	Buy	51.6	(37.4)	23.7	10.9x	1.1x	11.1	0.9	6.7	526.9	1.1
TOWR	1,030	805	1,310	Buy	27.2	57.3	52.5	19.6x	5.6x	31.1	2.3	21.7	30.0	0.9
PGAS	1,065	2,170	1,400	Buy	31.5	(52.0)	25.8	86.4x	0.7x	0.8	3.9	(17.9)	(85.0)	1.6
TBIG	1,425	1,230	1,400	Hold	(1.8)	7.1	32.3	31.4x	5.5x	21.9	2.0	13.2	33.8	1.0
Trade						(19.9)	572.3							
UNTR	22,475	21,525	19,000	Sell	(15.5)	7.5	83.8	8.6x	1.4x	17.3	4.3	(23.4)	(28.3)	0.9
MAPI	655	1,055	870	Buy	32.8	(40.2)	10.9	412.7x	2.0x	0.5	N/A	(32.2)	N/A	1.2
ERAA	1,680	1,795	2,000	Buy	19.0	4.3	5.4	17.9x	1.1x	6.3	N/A	(6.3)	5.9	1.5
Property						(35.6)	310.6							
CTRA	760	1,040	780	Hold	2.6	(33.9)	14.1	13.6x	0.9x	7.0	1.1	(10.8)	(43.8)	1.4
WSKT	715	1,485	820	Hold	14.7	(54.5)	9.7	N/A	0.7x	(7.0)	0.5	(45.7)	N/A	1.8
WIKA	1,255	1,990	1,410	Hold	12.4	(34.6)	11.3	6.9x	0.8x	11.3	4.1	(37.2)	(71.9)	1.8
PTPP	935	1,585	1,250	Buy	33.7	(44.8)	5.8	10.0x	0.5x	4.9	3.6	(36.6)	(94.5)	1.8
PWON	400	570	440	Hold	10.0	(35.0)	19.3	10.5x	1.4x	13.2	N/A	(43.7)	(64.7)	1.6
Basic Ind.						(14.7)	609.2							
SMGR	9,300	12,000	11,500	Buy	23.7	(24.7)	55.2	21.9x	1.7x	8.0	0.4	(2.0)	25.6	1.3
CPIN	5,975	6,500	6,660	Hold	11.5	4.8	98.0	27.6x	4.3x	17.0	1.4	(6.7)	(3.8)	1.5
Misc Ind.						(23.4)	267.6							
ASII	4,820	6,925	5,575	Buy	15.7	(24.7)	195.1	8.4x	1.3x	15.9	3.8	(22.7)	16.1	1.3
Mining						(11.1)	332.2							
TINS	890	825	1,200	Buy	34.8	(1.1)	6.6	N/A	1.4x	(21.4)	N/A	(18.5)	N/A	1.6
PTBA	2,050	2,660	2,900	Buy	41.5	(9.3)	23.6	6.8x	1.5x	21.0	15.9	(15.1)	(38.5)	1.1
INCO	4,190	3,640	4,500	Hold	7.4	13.9	41.6	20.7x	1.4x	7.1	N/A	23.3	N/A	1.6
ANTM	955	840	1,100	Buy	15.2	(3.0)	22.9	N/A	1.3x	(0.5)	0.3	(36.0)	(80.2)	1.6
ITMG	8,225	11,475	12,000	Buy	45.9	(36.7)	9.3	6.9x	0.7x	10.1	15.5	(26.9)	(50.0)	1.2
ADRO	1,185	1,555	1,700	Buy	43.5	(10.9)	37.9	9.8x	0.7x	7.0	9.2	(23.2)	(47.7)	1.4
MEDC	380	732	931	Buy	145.0	(31.5)	9.5	N/A	0.5x	(12.8)	N/A	(7.6)	N/A	1.6
Agriculture						(12.0)	75.8							
AALI	11,050	14,575	14,200	Buy	28.5	4.2	21.3	38.0x	1.1x	3.0	0.8	6.5	796.6	1.5
LSIP	950	1,485	1,200	Buy	26.3	(21.8)	6.5	19.3x	0.8x	4.0	1.6	(1.9)	550.0	1.6

* Target Price

Source: Bloomberg, NHKSI Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	UK	13:00	Jobless Claims Change	Sep	28.1k	--	73.7k
<i>13 - Oct</i>	GE	13:00	CPI MoM	Sep	-0.2%	-0.2%	-0.2%
	GE	13:00	CPI YoY	Sep	-0.2%	-0.2%	-0.2%
	ID	14:20	Bank Indonesia 7D Reverse Repo	Oct	4.00%	4.00%	4.00%
	GE	16:00	ZEW Survey Current Situation	Oct	-59.5	-63	-66.2
	US	19:30	CPI MoM	Sep	0.2%	0.2%	0.4%
Wednesday	US	18:00	MBA Mortgage Applications	Oct	-0.7%	--	4.6%
<i>14 - Oct</i>	US	19:30	PPI Final Demand MoM	Sep	0.4%	0.1%	0.3%
Thursday	ID	11:00	Trade Balance	Sep		\$2060m	\$2330m
<i>15 - Oct</i>	US	19:30	Initial Jobless Claims	Oct		--	840k
	US	19:30	Empire Manufacturing	Oct		12	17
Friday	EC	16:00	CPI MoM	Sep		0.1%	0.1%
<i>16 - Oct</i>	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

Corporate Calendar

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

Source: NHKSI Research

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