

KEY INDICATOR

02/11/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(0.25)	(200.00)
10 Yr (bps)	6.61	6.61	0.00	(47.80)
USD/IDR	14,640	14,625	0.10%	4.29%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,115.13	-0.26%	-18.80%	18.97
MSCI	5,655.93	-0.25%	-22.40%	17.58
HSEI	24,460.01	1.46%	-13.23%	12.75
FTSE	5,654.97	1.39%	-25.02%	18.44
DJIA	26,925.05	1.60%	-5.65%	22.30
NASDAQ	10,957.61	0.42%	22.12%	35.74

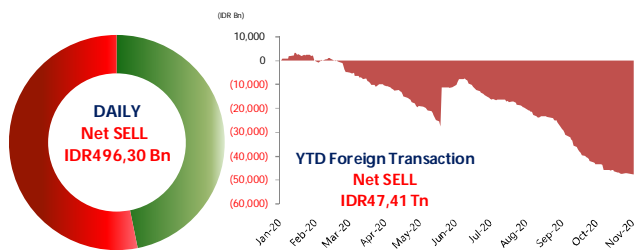
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	36.81	2.85%	-35.03%	-39.72%
COAL	USD/TON	59.90	2.92%	-11.46%	-11.52%
CPO	MYR/MT	2,975.00	-1.20%	24.06%	-2.52%
GOLD	USD/TOZ	1,895.48	0.89%	25.98%	24.93%
TIN	USD/MT	17,770.00	0.25%	6.57%	3.46%
NICKEL	USD/MT	15,160.00	0.03%	-9.63%	8.09%

CORPORATE ACTION

TICKER	EVENT	NOTES
PALM	Cum Dividend	IDR33/share
IMPC	Cum Dividend	IDR10/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA rose by +1.60% on Monday (02/11) followed by S&P 500 (+1.23%) and Nasdaq (+0.42%). Global stock exchanges managed to strengthen, driven by investor optimism over the results of today's US presidential election. Preliminary survey results show Biden is superior in 4 key states, namely Pennsylvania, Wisconsin, Florida and Arizona. Even so, the threat of political turmoil still exists if there is no single dominant winner. Fiscal stimulus discussions could also be delayed later. On the other hand, market players are also awaiting the direction of the Fed's benchmark interest rate policy by Powell on Thursday. Powell is projected to keep interest rates at 0-0.25% for an extended period. Not only that, labor data as of October will also affect the rate of global exchanges.. Moreover, the market will look forward to several data releases today, such as: 1) US Presidential Election; 2) Eurozone Eurogroup Video Conference; 3) US Factory Orders.

Domestic Updates

The IHS Markit Indonesia Manufacturing PMI rose to 47.8 in October 2020, from 47.2 a month earlier, as the large-scale social restrictions (PSBB) in Jakarta were loosened in mid-October, with both output and new orders falling at softer rates. Sentiment strengthened on hopes that market conditions will return to normal. (Markit Economics)

BPS releases an inflation of 0.07% in October 2020, with the Consumer Price Index (CPI) of 104.92. The inflation rate for 10M20 is 0.95% YoY vs 1.44% in 10M19. The core component in October 2020 experienced inflation of 0.04%. The core inflation rate for 10M20 is 1.50% YoY vs 1.74% in 10M19.

Company News

1. **ERAA IJ** posted sales of IDR23.17 trillion in 9M20, slightly down by 1.8% YoY. Meanwhile, sales of cellular phones and tablets were still the main contributor to the company's sales and decreased by 5.3% YoY to IDR17.32 trillion. Voucher sales rose by 8.7% YoY to IDR3.17 trillion, computers and other electronic equipment grew by 15.29% YoY to IDR1.01 trillion, and sales of accessories and others rose by 10.25% YoY to IDR1.65 trillion. ERAA also managed to reduce COGS by 3.53% YoY. Thus, ERAA managed to book a significant profit growth of 78.2% YoY to IDR295.11 billion in 9M20 (Market Bisnis). **MNCS Comment: We note that IMEI implementation followed by business margin improvement would lead ERAA to a prosperous year ahead. Moreover, we expect lower COGS and finance costs should support earnings. ERAA is currently traded at 14.51x/1.12x PE/PBV.**
2. **BSDE IJ** revenue reached IDR4.28 trillion (-18.18% YoY) in 9M20. While net profit took a dive, standing at IDR469.55 billion (-79.67% YoY). Furthermore, pre-sales revenue reached IDR4.7 trillion in 9M20, equivalent to 65% of the pre-sale target set by the company this year of IDR 7.2 trillion (Market Bisnis). **MNCS Comment: The declining performance of the financial statements in 9M20 was due to the achievement of marketing sales in 1H20 that was not as expected. However, marketing sales on 9M20 has the potential to improve BSDE's performance for the next year. BSDE is currently traded at 29.76x/0.62x PE/PBV.**
3. **LPKR IJ** revenue reached IDR 8.58 trillion which edged up 0.24% YoY in 9M20. However, due to the increasing expenses, LPKR posted a net loss of IDR2.34 trillion which swelled from a net loss of IDR1.72 trillion as of 9M19. Furthermore, marketing sales has reached IDR 2.28 trillion in 9M20 or 91.2% of the target of IDR2.5 trillion in FY20E (Market Bisnis). **MNCS Comment: LPKR recorded a good performance, while the property sector declined. The achievement of marketing sales will also help improve LPKR's performance for future financial reports. LPKR is currently traded at 0.36x PBV.**

IHSG Updates

JCI dropped by -0.26% to 5,115.13 on Monday (02/11) followed by net foreign sell reaching IDR496.31 billion. JCI weakened following the adjustment to the declining global indices as it awaits for the US election. Six out of nine sectors decreased although this time mining sector increased due to stellar performance of the companies namely ANTM and INCO. Furthermore, the market seemed to ignore the positive data release from PMI Markit manufacturing and inflation rate which increased in October 2020, showing a slow but sure recovery. Meanwhile, the Rupiah exchange rate was weakening at IDR14,640. We estimate JCI will move in the range of 5,063 – 5,150 while waiting for 3Q20 GDP data release. **Today's recommendation: BMRI, INDY, JPFA, PWON.**

Stock	Close Price	Recommendation	Tactical Moves
BMRI	5,975	Buy on Weakness	Currently, BMRI is in the part of wave 3 of wave (C).
INDY	935	Spec Buy	As long as INDY does not move under correction below 890, INDY is currently at the end of wave [ii] of wave 3 of wave (5).
JPFA	1,055	Buy on Weakness	Currently, we estimate that JPFA is at the end of wave E of wave (X).
PWON	418	Sell on Strength	Currently the PWON movement is forming the end of wave (v) of wave [iii].

MNCS UNIVERSE

Code	Company Name	Mkt Cap (Rp bn)	Index Weight (%)	Rating	Price Target (Rp)	EPS Growth (%)		PER (x)		PBV (x)		
						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
<b>Automotive</b>												
ASII IJ	Astra International Tbk PT	218,611	3.83	HOLD	5,500	(24.25)	25.37	13.30	10.61	1.09	1.02	
<b>Banking</b>												
BBCA IJ	Bank Central Asia Tbk PT	717,461	12.46	HOLD	28,400	7.00	9.09	23.47	21.51	3.70	3.28	
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	86,903	1.51	BUY	5,700	(28.97)	24.57	7.95	6.38	0.78	0.72	
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	416,909	7.24	HOLD	3,200	(7.81)	1.06	13.03	12.90	1.97	1.81	
BMRI IJ	Bank Mandiri Persero Tbk PT	278,833	4.84	SELL	5,100	(4.62)	9.13	10.64	9.75	1.26	1.16	
BNGA IJ	Bank CIMB Niaga Tbk PT	18,849	0.33	BUY	850	2.43	9.99	5.01	4.55	0.44	0.43	
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	14,720	0.26	SELL	1,000	(24.98)	497.17	92.64	15.51	0.87	0.82	
BRIS IJ	Bank Brisyariah Tbk PT	11,756	0.20	SELL	230	(32.21)	9.83	234.25	213.28	2.29	2.27	
<b>Telco</b>												
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	253,599	4.45	BUY	3,600	(8.00)	8.33	13.33	12.31	2.37	2.24	
EXCL IJ	XL Axiata Tbk PT	21,519	0.38	BUY	2,700	21.73	5.39	24.65	23.38	1.07	1.03	
TOWR IJ	Sarana Menara Nusantara Tbk PT	50,504	0.89	BUY	1,150	13.11	8.81	19.57	17.99	4.77	4.21	
<b>Toll Road &amp; Utilities</b>												
JSMR IJ	Jasa Marga Persero Tbk PT	25,911	0.45	HOLD	3,450	6.41	13.25	11.96	10.56	1.05	0.94	
PGAS IJ	Perusahaan Gas Negara Tbk PT	25,696	0.45	BUY	1,200	83.33	27.27	11.82	9.29	0.41	0.40	
<b>Consumer</b>												
UNVR IJ	Unilever Indonesia Tbk PT	290,894	5.10	BUY	8,400	1.60	6.48	38.72	36.37	33.87	31.83	
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	113,704	1.99	HOLD	10,300	6.31	9.52	21.18	19.34	4.16	3.76	
INDF IJ	Indofood Sukses Makmur Tbk PT	61,682	1.08	BUY	8,500	3.50	11.05	12.14	10.93	1.52	1.40	
HOKI IJ	Buyung Poetra Sembada PT	2,016	0.04	SELL	700	(26.89)	37.61	26.27	19.09	2.73	2.31	
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	24,000	0.42	BUY	1,400	118.02	13.34	13.52	11.92	3.64	3.42	
TBLA IJ	Tunas Baru Lampung Tbk PT	3,980	0.07	SELL	630	(43.57)	5.01	9.81	9.35	0.74	0.71	
<b>Pharmacy</b>												
KLBF IJ	Kalbe Farma Tbk PT	70,078	1.23	SELL	1,280	4.28	7.25	26.81	24.99	3.97	3.65	
<b>Retail</b>												
ACES IJ	Ace Hardware Indonesia Tbk PT	26,154	0.46	HOLD	1,400	(6.76)	6.90	26.98	25.23	4.79	4.38	
ERAA IJ	Erajaya Swasembada Tbk PT	5,710	0.10	SELL	1,280	13.54	66.00	17.14	10.32	1.03	0.92	
MAPI IJ	Mitra Adiperkasa Tbk PT	10,624	0.19	HOLD	580	4.92	5.28	11.16	10.60	1.41	1.23	
RALS IJ	Ramayana Lestari Sentosa Tbk PT	3,903	0.07	HOLD	500	(32.91)	25.56	8.47	6.75	0.87	0.82	
PZZA IJ	Sarimelati Kencana PT	1,874	0.03	BUY	840	4.23	20.53	9.01	7.48	1.19	1.02	
<b>Construction</b>												
ADHI IJ	Adhi Karya Persero Tbk PT	2,047	0.04	BUY	660	(74.40)	99.60	11.44	5.73	0.30	0.29	
PTPP IJ	PP Persero Tbk PT	5,518	0.10	HOLD	870	(58.56)	30.26	14.32	10.99	0.30	0.28	
WIKA IJ	Wijaya Karya Persero Tbk PT	10,405	0.18	BUY	1,290	(69.76)	7.05	15.06	14.07	0.55	0.48	
WSBP IJ	Waskita Beton Precast Tbk PT	3,928	0.07	BUY	262	(29.90)	18.70	6.46	5.45	0.44	0.43	
WSKT IJ	Waskita Karya Persero Tbk PT	9,773	0.17	HOLD	650	(67.97)	18.14	32.53	27.53	0.33	0.33	
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,646	0.03	BUY	300	4.17	20.85	3.50	2.90	0.59	0.51	



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
<b>Property</b>												
BSDE IJ	Bumi Serpong Damai Tbk PT	18,631	0.33	BUY	1,110	(7.75)	12.60	6.49	5.76	0.46	0.43	
PWON IJ	Pakuwon Jati Tbk PT	20,131	0.35	BUY	520	(9.02)	(3.70)	8.41	8.73	1.15	1.03	
SMRA IJ	Summarecon Agung Tbk PT	9,522	0.17	HOLD	610	(69.64)	44.19	60.89	42.23	0.99	0.97	
CTRA IJ	Ciputra Development Tbk PT	15,127	0.27	HOLD	880	8.58	(11.20)	12.11	13.63	0.92	0.87	
DMAS IJ	Puradelta Lestari Tbk PT	10,507	0.18	HOLD	228	(30.89)	31.52	11.39	8.66	1.75	1.95	
<b>Agriculture</b>												
AALI IJ	Astra Agro Lestari Tbk PT	20,402	0.36	BUY	11,800	240.96	15.24	28.34	24.59	1.06	1.02	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,516	0.11	BUY	1,100	27.51	22.68	20.24	16.50	0.75	0.73	
<b>Coal Mining</b>												
ADRO IJ	Adaro Energy Tbk PT	36,144	0.63	BUY	1,310	(18.31)	0.59	6.71	6.67	0.54	0.52	
PTBA IJ	Bukit Asam Tbk PT	22,350	0.39	BUY	2,390	(16.98)	4.55	6.30	6.02	1.19	1.18	
ITMG IJ	Indo Tambangraya Megah Tbk PT	9,322	0.16	BUY	10,630	(58.33)	(20.00)	10.12	12.65	0.36	0.31	
<b>Metal Mining</b>												
ANTM IJ	Aneka Tambang Tbk	26,434	0.46	SELL	920	26.09	42.23	22.09	15.53	1.20	1.11	
INCO IJ	Vale Indonesia Tbk PT	42,428	0.74	SELL	3,590	13.79	2.00	52.39	51.37	1.31	1.27	
MDKA IJ	Merdeka Copper Gold Tbk PT	40,511	0.71	SELL	1,595	(21.21)	25.00	28.37	22.70	3.78	2.99	
<b>Poultry</b>												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	95,518	1.67	SELL	4,150	9.82	15.94	24.93	21.50	3.97	3.52	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	12,372	0.22	HOLD	1,150	(60.18)	121.37	17.55	7.93	1.04	0.92	
<b>Cigarette</b>												
GGRM IJ	Gudang Garam Tbk PT	77,974	1.37	BUY	55,450	(16.02)	8.63	8.53	7.86	1.46	1.34	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	163,427	2.87	BUY	1,650	(22.03)	3.26	15.27	14.79	4.87	4.89	
<b>Cement</b>												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	44,911	0.79	BUY	13,900	19.34	12.44	20.50	18.24	1.91	1.87	
SMGR IJ	Semen Indonesia Persero Tbk PT	54,125	0.95	HOLD	9,000	30.77	(33.40)	17.31	26.00	1.60	1.56	
<b>Basic Industry and Chemical</b>												
ARNA IJ	Arwana Citramulia Tbk PT	3,707	0.07	SELL	450	18.73	7.01	14.46	13.52	2.38	1.87	
<b>Heavy Equipment</b>												
UNTR IJ	United Tractors Tbk PT	76,281	1.34	HOLD	19,930	(18.84)	13.03	8.31	7.35	1.13	0.98	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	17.70	1.81
JAKCONS INDEX	18.14	3.73
JAKINFRA INDEX	32.29	2.01
JAKBIND INDEX	55.45	1.90
JAKTRAD INDEX	12.20	1.05
JAKPROP INDEX	1.13	0.88
JAKMINE INDEX	28.65	1.18
JAKMIND INDEX	13.61	1.22
JAKAGRI INDEX	-	0.92

RATING AND RECOMMENDATIONS

MNCS' fundamental views and ratings (Buy, Hold, Sell) are medium-term calls within a 12-month investment horizon.

**BUY** Share price may exceed 10% over the next 12 months

**HOLD** Share price may fall within the range of +/- 10% of the next 12 months

**SELL** Share price may fall by more than 10% over the next 12 months

**NOT RATED** Stock is not within regular research coverage





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