MORNING NAVIGATOR

IHSG
5,132.57
+0.78%

USD/IDR
IDR14,700
-0.00%

MNC sekuritas

Institutional Research Division | Wednesday, 14 October 2020

KEY INDICATOR

13/10/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	6.00	(200.00)
10 Yr (bps)	6.90	6.91	7.28	(34.90)
USD/IDR	14,700.00	14,700.00	0.00	4.14%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,132.57	0.78%	-18.52%	19.25
MSCI	5,649.94	0.78%	-22.48%	18.57
HSEI	CLOSED	0.00%	-12.56%	12.95
FTSE	5,969.71	-0.53%	-20.85%	19.45
DJIA	28,679.81	-0.55%	0.50%	24.54
NASDAQ	11,863.90	-0.10%	32.22%	38.64

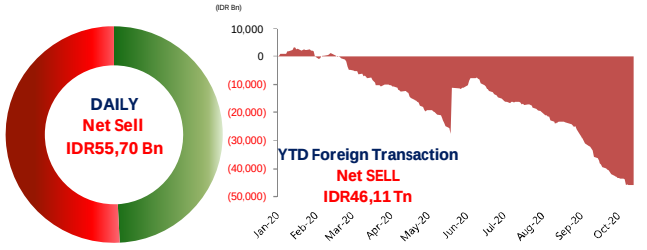
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	40.20	1.95%	-24.99%	-34.16%
COAL	USD/TON	54.70	-3.78%	-17.77%	-19.20%
CPO	MYR/MT	3,003.00	0.30%	39.22%	-1.61%
GOLD	USD/TOZ	1,891.36	-1.63%	26.66%	24.66%
TIN	USD/MT	18,255.00	0.05%	10.50%	6.29%
NICKEL	USD/MT	15,040.00	-0.80%	-9.12%	7.24%

CORPORATE ACTION

TICKER	EVENT	NOTES
BKSL	RUPS	
ASGR	Cum Dividend Date	IDR5/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA dropped by -0.55% on Tuesday (13/10) followed by S&P 500 (-0.63%) and Nasdaq (-0.10%). Wall Street were stalled on concerns Johnson & Johnson's development of the Covid-19 vaccine would be hampered. The company announced that the clinical trial of the Covid-19 vaccine it was developing was temporarily halted due to an unexplained disease that the clinical trial participants suffered. Furthermore, investors were also affected by reports that the Speaker of the US House of Representatives Nancy Pelosi rejected the USD1.8 trillion stimulus package proposal that the White House offered because it was far below the need to overcome the recession. Apart from monitoring stimulus developments, investors are also waiting for the release of the financial performance of US listed companies. Moreover, the market will look forward to several data releases today, such as: 1) US MBA Mortgage Application; 2) US Purchasing Price Index; 3) Japan Industrial Production.

Domestic Updates

Bank Indonesia decided to maintain the BI 7-Day Reverse Repo Rate (BI7DRR) at 4.00%, the Deposit Facility rate at 3.25%, and the Lending Facility interest rate at 4.75%. This decision takes into account the need to maintain the stability of the Rupiah exchange rate, amidst inflation which is predicted to remain low. (Bank Indonesia)

Minister for Economic Affairs stated that the realization of funds for handling the Covid-19 pandemic or the new corona virus is equals to 48% of IDR 695.2 trillion. Which means the amount reached IDR331.29 trillion as of October 7, 2020. Government has also allocated a budget for handling a trillion corona virus pandemic amounting to IDR695.2 trillion. The funds were disbursed through a number of programs. (CNN Indonesia)

Company News

1. **BRIS IJ** along with PT Bank BNI Syariah, PT Bank Syariah Mandiri (BSM) has signed the conditional merger agreement. Based on the deal, BRIS will determined as a surviving bank to received the asset of the other lenders. The official merger is expected to take place in February 2021 (Emiten News). **MNCS Comment: We believe this strategy become a positive sentiment for BRIS as total assets of the merged bank will reached IDR245 trillion (USD16.73 billion) and become the largest sharia bank in the country. BRIS is currently traded at 46.63x/2.10x PE/PBV.**
2. **ANTM IJ** will be a representative of MIND ID in the Indonesia Battery Holding (IBH) project amounting to USD12 billion. ANTM will provide within the upstream with providing the raw materials needed while MIND ID will assist the process through downstreaming it into a battery. PLN and Pertamina will also act as an intermediate within the value chain (Market Bisnis). **MNCS Comment: We see that ferronickel has become the second largest contributor towards ANTM's revenue, so this participation may as well assured ANTM's nickel absorption and will be of advantage for ANTM in the long run with the rise of EV battery demand. ANTM is currently traded at 108.37x/1.02x PE/PBV**
3. **IPCC IJ** recorded an increase in loading service as of September 2020, along with the PSBB easing on economic and industrial activity. This has driven automotive manufacturer and heavy equipment to increase their activities. CBU unit increased by 22.5% in September compared to monthly average while heavy equipment rose slightly by 1.5% compared to monthly average (Investor Daily). **MNCS Comment: This is an improvement for IPCC as their business was largely impacted by the pandemic, though they recorded an increase on 2Q20 top line but net income margin is thinning. We hope that this will boost IPCC's performance in the next period. IPCC is currently traded at 0.66x PBV.**

IHSG Updates

JCI increased by +0.78% to 5,132.57 on Tuesday (13/10) despite being followed by net foreign sell reaching IDR55.69 billion. JCI has not hit the brake yet, though the Regional Asia indices were moving indifferently. The rise was driven by the financial sector as the Sharia bank merger news was released. Index also seem to have taken in the unchanged rate, and has braced for another demonstration in regard of the Omnibus Law. Meanwhile, the Rupiah exchange rate was weakening at IDR14,725. We estimate JCI will move in the range of 5,050 – 5,150 while waiting for Balance of Trade. **Today's recommendation: ASII, AKRA, PGAS, BBCA.**

Stock	Close Price	Recommendation	Tactical Moves
ASII	4,740	Buy on Weakness	ASII position is currently forming wave (ii) of wave [c] of wave B.
AKRA	2,650	Buy on Weakness	AKRA position is forming wave B of wave (B).
PGAS	1,035	Sell on Strength	Currently PGAS is at the end of wave [a] of wave B.
BBCA	29,275	Sell on Strength	We estimate that the position of BBCA is at the end of wave (iii) of wave [a] of wave 5 of the diagonal pattern.

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
Automotive											
ASII IJ	Astra International Tbk PT	191,892	3.35	BUY	5,500	(24.25)	25.37	11.67	9.31	0.96	0.90
Banking											
BBCA IJ	Bank Central Asia Tbk PT	721,775	12.49	HOLD	28,400	7.00	9.09	23.61	21.64	3.72	3.30
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	88,768	1.54	BUY	5,700	(28.97)	24.57	8.12	6.52	0.79	0.73
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	404,574	7.00	HOLD	3,200	(7.81)	1.06	12.65	12.52	1.91	1.76
BMRI IJ	Bank Mandiri Persero Tbk PT	264,833	4.58	SELL	5,100	(4.62)	9.13	10.10	9.26	1.20	1.10
BNGA IJ	Bank CIMB Niaga Tbk PT	19,477	0.34	HOLD	850	2.43	9.99	5.17	4.71	0.46	0.45
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	14,032	0.24	SELL	1,000	(24.98)	497.17	88.31	14.79	0.83	0.79
BRIS IJ	Bank Brisyariah Tbk PT	10,931	0.19	SELL	230	(32.21)	9.83	217.79	198.30	2.13	2.11
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	270,440	4.73	BUY	3,600	(8.00)	8.33	14.22	13.13	2.52	2.39
EXCL IJ	XL Axiata Tbk PT	23,446	0.41	BUY	2,700	21.73	5.39	26.85	25.48	1.17	1.12
TOWR IJ	Sarana Menara Nusantara Tbk PT	52,545	0.92	BUY	1,150	13.11	8.81	20.36	18.71	4.96	4.38
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	27,798	0.49	HOLD	3,450	6.41	13.25	12.83	11.33	1.12	1.01
PGAS IJ	Perusahaan Gas Negara Tbk PT	25,090	0.44	BUY	1,200	83.33	27.27	11.54	9.07	0.40	0.39
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	304,246	5.32	HOLD	8,400	1.60	6.48	40.50	38.04	35.43	33.29
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	115,744	2.02	HOLD	10,300	6.31	9.52	21.56	19.69	4.24	3.82
INDF IJ	Indofood Sukses Makmur Tbk PT	63,658	1.11	BUY	8,500	3.50	11.05	12.53	11.28	1.57	1.44
HOKI IJ	Buyung Poetra Sembada PT	1,921	0.03	SELL	700	(26.89)	37.61	25.02	18.18	2.60	2.20
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	23,700	0.41	BUY	1,400	118.02	13.34	13.35	11.78	3.60	3.38
TBLA IJ	Tunas Baru Lampung Tbk PT	4,060	0.07	SELL	630	(43.57)	5.01	10.01	9.53	0.76	0.72
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	74,297	1.30	SELL	1,280	4.28	7.25	28.42	26.50	4.21	3.87
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	27,955	0.49	SELL	1,400	(6.76)	6.90	28.83	26.97	5.12	4.68
ERAA IJ	Erajaya Swasembada Tbk PT	5,264	0.09	SELL	1,280	13.54	66.00	15.80	9.52	0.95	0.85
MAPI IJ	Mitra Adiperkasa Tbk PT	10,790	0.19	SELL	580	4.92	5.28	11.33	10.77	1.43	1.25
RALS IJ	Ramayana Lestari Sentosa Tbk PT	4,151	0.07	SELL	500	(32.91)	25.56	9.01	7.17	0.93	0.88
PZZA IJ	Sarimelati Kencana PT	1,858	0.03	BUY	840	4.23	20.53	8.94	7.42	1.18	1.02
Construction											
ADHI IJ	Adhi Karya Persero Tbk PT	2,137	0.04	HOLD	660	(74.40)	99.60	11.93	5.98	0.31	0.30
PTPP IJ	PP Persero Tbk PT	5,766	0.10	HOLD	870	(58.56)	30.26	14.96	11.49	0.31	0.29
WIKA IJ	Wijaya Karya Persero Tbk PT	11,168	0.20	HOLD	1,290	(69.76)	7.05	16.16	15.10	0.59	0.51
WSBP IJ	Waskita Beton Precast Tbk PT	4,429	0.08	BUY	262	(29.90)	18.70	7.29	6.14	0.50	0.48
WSKT IJ	Waskita Karya Persero Tbk PT	9,570	0.17	HOLD	650	(67.97)	18.14	31.85	26.96	0.33	0.32
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,761	0.03	BUY	300	4.17	20.85	3.74	3.10	0.63	0.54

Sources: Bloomberg LP, MNCS

MNCS UNIVERSE

Code	Company Name	Mkt Cap (Rp bn)	Index Weight (%)	Rating	Price Target (Rp)	EPS Growth (%) FY20E	EPS Growth (%) FY21F	PER (x) FY20E	PER (x) FY21F	PBV (x) FY20E	PBV (x) FY21F
Property											
BSDE IJ	Bumi Serpong Damai Tbk PT	16,831	0.29	BUY	1,110	(7.75)	12.60	5.86	5.21	0.42	0.39
PWON IJ	Pakuwon Jati Tbk PT	19,264	0.34	BUY	520	(9.02)	(3.70)	8.05	8.36	1.10	0.99
SMRA IJ	Summarecon Agung Tbk PT	9,017	0.16	HOLD	610	(69.64)	44.19	57.66	39.99	0.94	0.92
CTRA IJ	Ciputra Development Tbk PT	14,199	0.25	BUY	880	8.58	(11.20)	11.36	12.80	0.86	0.82
DMAS IJ	Puradelta Lestari Tbk PT	11,375	0.20	HOLD	228	(30.89)	31.52	12.33	9.37	1.89	2.11
Agriculture											
AALI IJ	Astra Agro Lestari Tbk PT	21,412	0.37	HOLD	11,800	240.96	15.24	29.75	25.81	1.11	1.07
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,482	0.11	BUY	1,100	27.51	22.68	20.14	16.41	0.74	0.72
Coal Mining											
ADRO IJ	Adaro Energy Tbk PT	36,784	0.64	BUY	1,310	(18.31)	0.59	6.83	6.79	0.55	0.52
PTBA IJ	Bukit Asam Tbk PT	23,387	0.41	BUY	2,390	(16.98)	4.55	6.59	6.30	1.25	1.23
ITMG IJ	Indo Tambangraya Megah Tbk PT	9,265	0.16	BUY	10,630	(58.33)	(20.00)	10.06	12.58	0.36	0.31
Metal Mining											
ANTM IJ	Aneka Tambang Tbk	18,384	0.32	BUY	920	26.09	42.23	15.36	10.80	0.83	0.77
INCO IJ	Vale Indonesia Tbk PT	38,056	0.67	HOLD	3,590	13.79	2.00	46.99	46.07	1.17	1.14
MDKA IJ	Merdeka Copper Gold Tbk PT	39,525	0.69	SELL	1,595	(21.21)	25.00	27.68	22.15	3.69	2.91
Poultry											
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	97,568	1.71	SELL	4,150	9.82	15.94	25.46	21.96	4.05	3.60
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,486	0.24	HOLD	1,150	(60.18)	121.37	19.13	8.64	1.13	1.01
Cigarette											
GGRM IJ	Gudang Garam Tbk PT	85,478	1.49	BUY	55,450	(16.02)	8.63	9.35	8.61	1.60	1.46
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	182,038	3.18	HOLD	1,650	(22.03)	3.26	17.01	16.47	5.43	5.45
Cement											
INTP IJ	Indocement Tunggal Prakarsa Tbk PT	41,138	0.72	BUY	13,900	19.34	12.44	18.78	16.70	1.75	1.71
SMGR IJ	Semen Indonesia Persero Tbk PT	55,460	0.97	HOLD	9,000	30.77	(33.40)	17.74	26.64	1.64	1.60
Basic Industry and Chemical											
ARNA IJ	Arwana Citramulia Tbk PT	3,421	0.06	HOLD	450	18.73	7.01	13.35	12.47	2.20	1.73
Heavy Equipment											
UNTR IJ	United Tractors Tbk PT	83,928	1.47	SELL	19,930	(18.84)	13.03	9.14	8.09	1.25	1.08

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	17.06	1.85
JAKCONS INDEX	18.43	3.93
JAKINFRA INDEX	32.23	2.09
JAKBIND INDEX	52.85	1.89
JAKTRAD INDEX	13.06	1.32
JAKPROP INDEX	1.12	0.90
JAKMINE INDEX	26.91	1.15
JAKMIND INDEX	10.46	1.12
JAKAGRI INDEX	-	0.94

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

Sources: Bloomberg LP, MNCS

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