

KEY INDICATOR

19/10/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(0.25)	(200.00)
10 Yr (bps)	6.66	6.74	(0.08)	(52.00)
USD/IDR	14,708	14,698	0.07%	3.78%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,126.33	0.45%	-18.62%	19.56
MSCI	5,680.98	0.94%	-22.05%	18.82
HSEI	24,542.26	0.64%	-12.94%	12.92
FTSE	5,884.65	-0.59%	-21.98%	19.16
DJIA	28,195.42	-1.44%	-1.20%	23.52
NASDAQ	11,478.88	-1.65%	27.93%	37.47

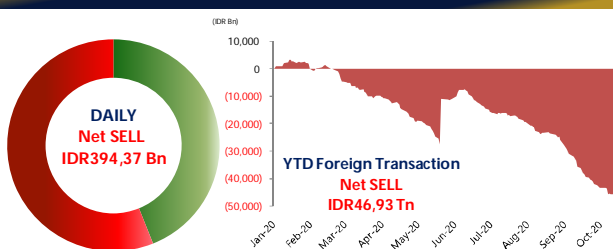
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	40.83	-0.12%	-23.48%	-33.13%
COAL	USD/TON	57.30	1.78%	-14.86%	-15.36%
CPO	MYR/MT	2,776.00	-3.28%	23.27%	-9.04%
GOLD	USD/TOZ	1,904.08	0.25%	27.78%	25.49%
TIN	USD/MT	18,640.00	1.75%	10.46%	8.53%
NICKEL	USD/MT	15,684.00	0.20%	-4.66%	11.83%

CORPORATE ACTION

TICKER	EVENT	NOTES
MBAP	RUPS	
DVLA	RUPS	

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA dropped by -1.44% on Monday (19/10) followed by S&P 500 (-1.63%) and Nasdaq (-1.65%). The weakening occurred due to talks between Finance Minister Steven Mnuchin and House Speaker Nancy Pelosi which took place on Monday, regarding the fiscal stimulus package that had yet to find an agreement. Market participants are also looking forward to Jerome Powell's speech which will discuss the current US monetary policy and economic conditions. Moreover, the market will look forward to several data releases today, such as: 1) China House Price Index; 2) Eurozone Current Account; 3) US Building Permits.

Domestic Updates

The government shows that the realization of state revenue and grants by the end of September 2020 reached IDR1,158.99 trillion. This is equivalent to 68.18% of the target in the APBN-Perpres 72/2020, while the country's revenue growth was still contracting negatively by 13.65% YoY. State Revenue originating from tax revenues has reached IDR892.44 trillion, or equalst to 63.54% of APBN-Perpres 72/2020. On the other hand, Non-Tax State Revenues (PNBP) reached IDR260.87 trillion, equivalent to 88.69% of the target and grant realization reached IDR 5.68 trillion. Based on its achievements, state revenue originating from taxation and PNBP revenues was higher, respectively, by 63.5% and 88.7% of the target compared to last year's 58.19% and 79.78%, respectively.

Company News

1. ARNA IJ posted a 1.1% YoY decline on 9M20 revenue. However, COGS dropped by 6.6% YoY to IDR1.12 trillion followed by sales expenses which decrease to IDR139.1 billion. So ARNA managed to record a net profit of IDR221.5 billion which increased by 38.31% YoY in 9M20 (Market Bisnis). **MNCS Comment: We believe ARNA still manage to maintain its operational performance and cost efficiency, holding their net profit margin at a level of 12.11%. With appropriate product mix development strategy supported by efficiency in gas usage can boost ARNA's margin in FY20E. ARNA is currently traded at 11.73x/2.90x PE/PBV.**
2. INTIP IJ recorded total cement sales of 1.7 million tons during September 2020 which came from domestic. The additional sales made INTIP cement sales reach 11.7 million tons as of 3Q20. This achievement was 8.59% YoY lower than the realization of cement sales in the same period last year of 12.8 million tons. Meanwhile, INTIP has cut growth this year to a range of -5% to -7% from the previous 3% to 4% due to the impact of the Covid-19 pandemic (Market Bisnis). **MNCS Comment: We estimate that cement sales growth in 2H20 will tend to be better than in 1H20. Despite challenges from oversupply and new players, the ongoing growth from the property and infrastructure sectors has been able to sustain cement sales. INTIP is currently traded at 46.60x/1.86x PE/PBV.**
3. SMBR IJ recorded cement sales of 202,717 tons in September 2020. The sales increase of 18% MoM was supported by sales in Southern Sumatra. With cement sales of 1,083 million tons in the January - August 2020 period, the year-to-date sales has reached 1.28 million tons in 3Q20. This achievement is 15.23% YoY lower than the same period last year of 1.51 million tons. However, the realization is getting closer to the sales target of 1.92 million tons this year (Market Bisnis). **MNCS Comment: Sales of SMBR cement have increased, supported by the southern part of Sumatra with South Sumatra and Lampung which are the driving forces for sales in the region. The sale was supported by the resumption of infrastructure and property projects. SMBR is currently traded at 1.54x PBV.**

IHSG Updates

JCI increased by +0.45% to 5,126.33 on Monday (19/10) though followed by net foreign sell reaching IDR394.37 billion. JCI rose again amid the strengthening on most of the Regional Asia Indices following positive catalyst boosted by the GDP announcement from China which increased by 4.9% in 3Q20. JCI movement was driven by the increase from Mining and Finance sector. Meanwhile, the Rupiah exchange rate was weakening at IDR14,708. We estimate JCI will move in the range of 5,000 - 5,187. **Today's recommendation: HMSP, WSKT, BBRI, ERAA.**

Stock	Close Price	Recommendation	Tactical Moves
HMSP	1,500	Buy on Weakness	HMSP position is already at the end of wave [iv] of wave 1 of wave (C).
WSKT	730	Buy on Weakness	If WSKT is able to break the resistance at 745 then WSKT position is currently in wave (v) of wave [iii].
BBRI	3,280	Buy on Weakness	Currently the position of BBRI is in the part of wave [c] of wave B.
ERAA	1,680	Sell on Strength	Current ERAA positions are at the end of wave (i) of wave [iii] of wave 5.

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	202,418	3.54	HOLD	5,500	(24.25)	25.37	12.32	9.82	1.01	0.95	
Banking												
BBCA IJ	Bank Central Asia Tbk PT	727,323	12.60	HOLD	28,400	7.00	9.09	23.79	21.81	3.75	3.32	
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	91,192	1.58	BUY	5,700	(28.97)	24.57	8.34	6.70	0.82	0.75	
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	404,574	7.01	HOLD	3,200	(7.81)	1.06	12.65	12.52	1.91	1.76	
BMRI IJ	Bank Mandiri Persero Tbk PT	266,000	4.61	SELL	5,100	(4.62)	9.13	10.15	9.30	1.20	1.10	
BNGA IJ	Bank CIMB Niaga Tbk PT	19,226	0.33	BUY	850	2.43	9.99	5.11	4.64	0.45	0.44	
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	13,873	0.24	SELL	1,000	(24.98)	497.17	87.31	14.62	0.82	0.78	
BRIS IJ	Bank Brisyariah Tbk PT	13,603	0.24	SELL	230	(32.21)	9.83	271.03	246.77	2.65	2.63	
Telco												
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	268,459	4.70	BUY	3,600	(8.00)	8.33	14.11	13.03	2.50	2.37	
EXCL IJ	XL Axiata Tbk PT	22,804	0.40	BUY	2,700	21.73	5.39	26.12	24.78	1.14	1.09	
TOWR IJ	Sarana Menara Nusantara Tbk PT	51,270	0.90	BUY	1,150	13.11	8.81	19.87	18.26	4.84	4.28	
Toll Road & Utilities												
JSMR IJ	Jasa Marga Persero Tbk PT	26,782	0.47	HOLD	3,450	6.41	13.25	12.37	10.92	1.08	0.97	
PGAS IJ	Perusahaan Gas Negara Tbk PT	25,817	0.45	BUY	1,200	83.33	27.27	11.88	9.33	0.41	0.40	
Consumer												
UNVR IJ	Unilever Indonesia Tbk PT	301,385	5.27	HOLD	8,400	1.60	6.48	40.12	37.68	35.10	32.97	
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	114,578	2.00	HOLD	10,300	6.31	9.52	21.35	19.49	4.20	3.79	
INDF IJ	Indofood Sukses Makmur Tbk PT	62,780	1.10	BUY	8,500	3.50	11.05	12.36	11.13	1.55	1.42	
HOKI IJ	Buyung Poetra Sembada PT	2,052	0.04	SELL	700	(26.89)	37.61	26.73	19.43	2.77	2.35	
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	23,550	0.41	BUY	1,400	118.02	13.34	13.26	11.70	3.58	3.36	
TBLA IJ	Tunas Baru Lampung Tbk PT	4,007	0.07	SELL	630	(43.57)	5.01	9.88	9.41	0.75	0.71	
Pharmacy												
KLBF IJ	Kalbe Farma Tbk PT	73,594	1.29	SELL	1,280	4.28	7.25	28.15	26.25	4.17	3.83	
Retail												
ACES IJ	Ace Hardware Indonesia Tbk PT	27,183	0.48	SELL	1,400	(6.76)	6.90	28.04	26.23	4.98	4.55	
ERAA IJ	Erajaya Swasembada Tbk PT	5,359	0.09	SELL	1,280	13.54	66.00	16.08	9.69	0.96	0.87	
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	4,009	0.07	SELL	500	(32.91)	25.56	8.70	6.93	0.90	0.85	
PZZA IJ	Sarimelati Kencana PT	1,919	0.03	BUY	840	4.23	20.53	9.23	7.66	1.21	1.05	
Construction												
ADHI IJ	Adhi Karya Persero Tbk PT	2,119	0.04	BUY	660	(74.40)	99.60	11.83	5.93	0.31	0.30	
PTPP IJ	PP Persero Tbk PT	5,735	0.10	HOLD	870	(58.56)	30.26	14.88	11.42	0.31	0.29	
WIKA IJ	Wijaya Karya Persero Tbk PT	11,212	0.20	HOLD	1,290	(69.76)	7.05	16.23	15.16	0.59	0.52	
WSBP IJ	Waskita Beton Precast Tbk PT	4,376	0.08	BUY	262	(29.90)	18.70	7.20	6.07	0.49	0.48	
WSKT IJ	Waskita Karya Persero Tbk PT	9,909	0.17	SELL	650	(67.97)	18.14	32.98	27.92	0.34	0.34	
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	



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
Property												
BSDE IJ	Bumi Serpong Damai Tbk PT	17,890	0.31	BUY	1,110	(7.75)	12.60	6.23	5.53	0.45	0.42	
PWON IJ	Pakuwon Jati Tbk PT	19,553	0.34	BUY	520	(9.02)	(3.70)	8.17	8.48	1.12	1.00	
SMRA IJ	Summarecon Agung Tbk PT	9,594	0.17	HOLD	610	(69.64)	44.19	61.35	42.55	1.00	0.98	
CTRA IJ	Ciputra Development Tbk PT	14,941	0.26	HOLD	880	8.58	(11.20)	11.96	13.47	0.91	0.86	
DMAS IJ	Puradelta Lestari Tbk PT	11,471	0.20	HOLD	228	(30.89)	31.52	12.43	9.45	1.91	2.13	
Agriculture												
AALI IJ	Astra Agro Lestari Tbk PT	20,931	0.37	HOLD	11,800	240.96	15.24	29.08	25.23	1.09	1.04	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,345	0.11	BUY	1,100	27.51	22.68	19.71	16.07	0.73	0.71	
Coal Mining												
ADRO IJ	Adaro Energy Tbk PT	39,023	0.68	HOLD	1,310	(18.31)	0.59	7.25	7.21	0.58	0.56	
PTBA IJ	Bukit Asam Tbk PT	23,617	0.41	BUY	2,390	(16.98)	4.55	6.66	6.37	1.26	1.24	
ITMG IJ	Indo Tambangraya Megah Tbk PT	9,548	0.17	BUY	10,630	(58.33)	(20.00)	10.37	12.96	0.37	0.32	
Metal Mining												
ANTM IJ	Aneka Tambang Tbk	25,352	0.44	SELL	920	26.09	42.23	21.19	14.90	1.15	1.07	
INCO IJ	Vale Indonesia Tbk PT	40,938	0.72	SELL	3,590	13.79	2.00	50.55	49.56	1.26	1.23	
MDKA IJ	Merdeka Copper Gold Tbk PT	39,197	0.69	SELL	1,595	(21.21)	25.00	27.45	21.96	3.66	2.89	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	98,798	1.73	SELL	4,150	9.82	15.94	25.78	22.24	4.10	3.64	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,368	0.23	HOLD	1,150	(60.18)	121.37	18.96	8.56	1.12	1.00	
Cigarette												
GGRM IJ	Gudang Garam Tbk PT	82,880	1.45	BUY	55,450	(16.02)	8.63	9.07	8.35	1.55	1.42	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	174,477	3.05	HOLD	1,650	(22.03)	3.26	16.30	15.79	5.20	5.22	
Cement												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	43,807	0.77	BUY	13,900	19.34	12.44	20.00	17.79	1.86	1.82	
SMGR IJ	Semen Indonesia Persero Tbk PT	54,422	0.95	HOLD	9,000	30.77	(33.40)	17.41	26.14	1.61	1.57	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	3,465	0.06	HOLD	450	18.73	7.01	13.52	12.63	2.23	1.75	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	82,249	1.44	HOLD	19,930	(18.84)	13.03	8.96	7.92	1.22	1.06	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	17.11	1.83
JAKCONS INDEX	18.19	3.88
JAKINFRA INDEX	32.23	2.09
JAKBIND INDEX	52.82	1.89
JAKTRAD INDEX	13.13	1.33
JAKPROP INDEX	1.11	0.89
JAKMINE INDEX	28.15	1.20
JAKMIND INDEX	10.85	1.16
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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