

KEY INDICATOR

20/10/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(0.25)	(200.00)
10 Yr (bps)	6.64	6.66	(0.02)	(47.20)
USD/IDR	14,658	14,708	-0.34%	4.11%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,099.84	-0.52%	-19.04%	19.88
MSCI	5,646.93	-0.60%	-22.52%	18.72
HSEI	24,569.54	0.11%	-12.84%	12.92
FTSE	5,889.22	0.08%	-21.92%	19.16
DJIA	28,308.79	0.40%	-0.80%	23.54
NASDAQ	11,516.49	0.33%	28.35%	37.60

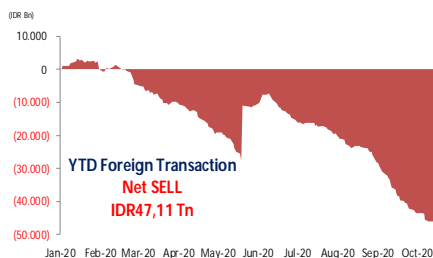
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	41.46	1.54%	-22.23%	-32.10%
COAL	USD/TON	57.80	0.87%	-14.50%	-14.62%
CPO	MYR/MT	2,858.00	2.95%	25.08%	-6.36%
GOLD	USD/TOZ	1,906.95	0.15%	28.46%	25.68%
TIN	USD/MT	18,670.00	0.16%	11.30%	8.70%
NICKEL	USD/MT	16,023.00	2.16%	-0.48%	14.25%

CORPORATE ACTION

TICKER	EVENT	NOTES
BMRI	RUPS	
PALM	RUPS	
BSSR	RUPS	

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA rose by +0.40% on Tuesday (20/10) followed by S&P 500 (+0.47%) and Nasdaq (+0.33%). Stock markets closed higher over optimism that US stimulus would be agreed upon which emerged after the positive progress of stimulus negotiations and was claimed to be getting closer to an agreement. This stimulus will accelerate the recovery of the US economy amid the pandemic. The CEO of Moderna stated that his COVID-19 vaccine will be available for emergency use in December. This will happen if the vaccine test yields positive results this November. This statement was responded positively by the market because it increases the hope of returning to normal life. Moreover, the market will look forward to several data releases today, such as: 1) UK Core Inflation Rate; 2) Canada Core Inflation Rate; 3) US EIA Cushing Crude Oil Stocks Change.

Domestic Updates

The Ministry of Finance posted noted the 2020 State Budget (APBN) deficit which reached IDR687.5 trillion in September 2020. This deficit is equivalent to 4.16% of Indonesia's gross domestic product (GDP). Ministry of Finance data shows that the deficit has reached 65.6% of the year-end outlook of IDR1,039.2 trillion. Meanwhile, this deficit grew by 170.2% YoY when compared to the realization in the same period in 2019, which was IDR252.41 trillion.

Company News

1. **IRRA IJ** posted revenue that grew by 9.39% YoY to IDR141.06 billion in 3Q20. The company's revenue consist of non-electromedical medical devices (syringes) which grow 19.3% YoY to IDR33.14 billion. In addition, revenue from diagnostic in vitro products grew by 6.5% YoY to IDR107.77 billion. So IRRA's net profit reached IDR35.47 billion, a sharp increase of 475% YoY compared to the September 2019 period of IDR6.16 billion (Market Bisnis). MNCS Comment: IRRA was affected by the pandemic at first but lately the demand for medical supplies increased which is beneficial for IRRA. Though we see that revenue has not fully recovered but it was increasing quarterly while the net margin is definitely on a higher level. IRRA is currently traded at 29.77x/8.06x PE/PBV.
2. **INCO IJ** has produced 19,477 tonnes of nickel in matte in 3Q20 which was 4% YoY higher than the company's production volume in the previous quarter of 18,701 tons. However, this realization was lower than the production in 3Q19 in the range of 19,820 tons. Thus, INCO's nickel in matte production amounted to 55,792 tonnes YTD, increased by 10% YoY compared to production in the same period last year of 50,531 tonnes. Nickel production target this year is not much different from last year's production realization of 71,025 tons (Market Bisnis). MNCS Comment: We see that INCO's performance is quite positive even during the pandemic because the achievement is higher than last year. As of now, INCO has reach 71.14% of their target which we think is reasonable. INCO is also selected for the nickel supplier in the Indonesia Battery Holding which will benefit INCO in the long term. INTP is currently traded at 27.01x/1.44x PE/PBV.
3. **ADRO IJ** stated that they does not have any plans to acquire the Paiton Steam Power Plant (PLTU). Instead they chose to focus on completing the existing PLTU project as well as developing the power plant business independently in the future. Currently, ADRO is working on the Bhimasena Power Indonesia (BPI) PLTU project in Batang, Central Java. Citing the company's performance report, until the end of June 2020, the PLTU project with a capacity of 2x1,000 megawatts (MW) has made 94% progress. ADRO will continue to strive to develop its business in the electricity sector, including in order to support the government in developing renewable energy-based power plants. (Kontan). MNCS Comment: ADRO remains focused on their current power plant which we see is still supportive of the Government power target of 35,000 megawatt in the future. ADRO is currently traded at 8.72x/0.73x PE/PBV.

IHSG Updates

JCI decreased by -0.52% to 5,099.84 on Tuesday (20/10) though followed by net foreign sell reaching IDR168.56 billion. JCI dropped amid the various closing on Regional Asia Indices. Furthermore, consumer and property sector contribute to the weakening index while miscellaneous industry strengthened significantly by 2.40%. Meanwhile, the Rupiah exchange rate was strengthening at IDR14,658. We estimate JCI will move in the range of 5,000 – 5,187. Today's recommendation: ASII, BRPT, ISAT, MDKA.

Stock	Close Price	Recommendation	Tactical Moves
ASII	5,175	Buy on Weakness	ASII gain is part of wave [c] of wave B.
BRPT	900	Buy on Weakness	The position of BRPT is in wave [ii] of wave 3 of wave (C).
ISAT	2,040	Buy on Weakness	ISAT position is forming wave [b] of wave B of wave (B).
MDKA	1,800	Sell on Strength	MDKA's position is currently at the beginning of wave B of wave (B).

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	209,502	3.68	HOLD	5,500	(24.25)	25.37	12.75	10.17	1.05	0.98	
<b>Banking</b>												
BBCA IJ	Bank Central Asia Tbk PT	715,612	12.46	HOLD	28,400	7.00	9.09	23.40	21.45	3.69	3.27	
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	89,700	1.56	BUY	5,700	(28.97)	24.57	8.21	6.59	0.80	0.74	
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	400,874	6.98	HOLD	3,200	(7.81)	1.06	12.53	12.40	1.89	1.74	
BMRI IJ	Bank Mandiri Persero Tbk PT	263,667	4.59	HOLD	5,100	(4.62)	9.13	10.06	9.22	1.19	1.09	
BNGA IJ	Bank CIMB Niaga Tbk PT	19,100	0.33	BUY	850	2.43	9.99	5.07	4.61	0.45	0.44	
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	13,661	0.24	SELL	1,000	(24.98)	497.17	85.98	14.40	0.81	0.76	
BRIS IJ	Bank Brisyariah Tbk PT	14,574	0.25	SELL	230	(32.21)	9.83	290.39	264.40	2.84	2.82	
<b>Telco</b>												
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	264,496	4.65	BUY	3,600	(8.00)	8.33	13.91	12.84	2.47	2.33	
EXCL IJ	XL Axiata Tbk PT	22,376	0.39	BUY	2,700	21.73	5.39	25.63	24.31	1.12	1.07	
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	
<b>Toll Road &amp; Utilities</b>												
JSMR IJ	Jasa Marga Persero Tbk PT	26,491	0.47	HOLD	3,450	6.41	13.25	12.23	10.80	1.07	0.96	
PGAS IJ	Perusahaan Gas Negara Tbk PT	25,332	0.45	BUY	1,200	83.33	27.27	11.66	9.16	0.41	0.39	
<b>Consumer</b>												
UNVR IJ	Unilever Indonesia Tbk PT	305,200	5.37	HOLD	8,400	1.60	6.48	40.63	38.16	35.54	33.39	
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	113,412	1.99	HOLD	10,300	6.31	9.52	21.13	19.29	4.15	3.75	
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	2,028	0.04	SELL	700	(26.89)	37.61	26.42	19.20	2.74	2.33	
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	23,700	0.42	BUY	1,400	118.02	13.34	13.35	11.78	3.60	3.38	
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	73,360	1.29	SELL	1,280	4.28	7.25	28.06	26.16	4.15	3.82	
<b>Retail</b>												
ACES IJ	Ace Hardware Indonesia Tbk PT	27,354	0.48	SELL	1,400	(6.76)	6.90	28.21	26.39	5.01	4.58	
ERAA IJ	Erajaya Swasembada Tbk PT	5,487	0.10	SELL	1,280	13.54	66.00	16.47	9.92	0.99	0.89	
MAPI IJ	Mitra Adiperkasa Tbk PT	10,541	0.19	HOLD	580	4.92	5.28	11.07	10.52	1.40	1.22	
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	1,904	0.03	BUY	840	4.23	20.53	9.16	7.60	1.21	1.04	
<b>Construction</b>												
ADHI IJ	Adhi Karya Persero Tbk PT	2,083	0.04	BUY	660	(74.40)	99.60	11.63	5.83	0.31	0.29	
PTPP IJ	PP Persero Tbk PT	5,673	0.10	HOLD	870	(58.56)	30.26	14.72	11.30	0.31	0.29	
WIKA IJ	Wijaya Karya Persero Tbk PT	10,898	0.19	HOLD	1,290	(69.76)	7.05	15.77	14.73	0.58	0.50	
WSBP IJ	Waskita Beton Precast Tbk PT	4,297	0.08	BUY	262	(29.90)	18.70	7.07	5.96	0.48	0.47	
WSKT IJ	Waskita Karya Persero Tbk PT	9,705	0.17	HOLD	650	(67.97)	18.14	32.30	27.34	0.33	0.33	
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,742	0.03	BUY	300	4.17	20.85	3.70	3.06	0.62	0.53	



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
<b>Property</b>												
BSDE IJ	Bumi Serpong Damai Tbk PT	17,784	0.31	BUY	1,110	(7.75)	12.60	6.19	5.50	0.44	0.41	
PWON IJ	Pakuwon Jati Tbk PT	19,360	0.34	BUY	520	(9.02)	(3.70)	8.09	8.40	1.11	0.99	
SMRA IJ	Summarecon Agung Tbk PT	9,305	0.16	HOLD	610	(69.64)	44.19	59.50	41.27	0.97	0.95	
CTRA IJ	Ciputra Development Tbk PT	14,570	0.26	BUY	880	8.58	(11.20)	11.66	13.13	0.89	0.84	
DMAS IJ	Puradelta Lestari Tbk PT	11,471	0.20	HOLD	228	(30.89)	31.52	12.43	9.45	1.91	2.13	
<b>Agriculture</b>												
AALI IJ	Astra Agro Lestari Tbk PT	20,835	0.37	HOLD	11,800	240.96	15.24	28.94	25.12	1.08	1.04	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,311	0.11	BUY	1,100	27.51	22.68	19.61	15.98	0.72	0.70	
<b>Coal Mining</b>												
ADRO IJ	Adaro Energy Tbk PT	38,703	0.68	HOLD	1,310	(18.31)	0.59	7.19	7.15	0.57	0.55	
PTBA IJ	Bukit Asam Tbk PT	23,157	0.41	BUY	2,390	(16.98)	4.55	6.53	6.24	1.24	1.22	
ITMG IJ	Indo Tambangraya Megah Tbk PT	9,435	0.17	BUY	10,630	(58.33)	(20.00)	10.25	12.81	0.37	0.32	
<b>Metal Mining</b>												
ANTM IJ	Aneka Tambang Tbk	24,872	0.44	SELL	920	26.09	42.23	20.79	14.62	1.13	1.05	
INCO IJ	Vale Indonesia Tbk PT	41,037	0.72	SELL	3,590	13.79	2.00	50.67	49.68	1.27	1.23	
MDKA IJ	Merdeka Copper Gold Tbk PT	39,416	0.69	SELL	1,595	(21.21)	25.00	27.61	22.09	3.68	2.90	
<b>Poultry</b>												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	98,388	1.73	SELL	4,150	9.82	15.94	25.68	22.15	4.08	3.63	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,251	0.23	HOLD	1,150	(60.18)	121.37	18.79	8.49	1.11	0.99	
<b>Cigarette</b>												
GGRM IJ	Gudang Garam Tbk PT	78,022	1.37	BUY	55,450	(16.02)	8.63	8.54	7.86	1.46	1.34	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	164,590	2.89	BUY	1,650	(22.03)	3.26	15.38	14.89	4.91	4.93	
<b>Cement</b>												
INTP IJ	Indocement Tunggai Prakarsa Tbk PT	44,175	0.78	BUY	13,900	19.34	12.44	20.17	17.94	1.88	1.84	
SMGR IJ	Semen Indonesia Persero Tbk PT	56,201	0.99	HOLD	9,000	30.77	(33.40)	17.98	26.99	1.66	1.62	
<b>Basic Industry and Chemical</b>												
ARNA IJ	Arwana Citramulia Tbk PT	3,627	0.06	HOLD	450	18.73	7.01	14.15	13.22	2.33	1.83	
<b>Heavy Equipment</b>												
UNTR IJ	United Tractors Tbk PT	83,089	1.46	SELL	19,930	(18.84)	13.03	9.05	8.01	1.23	1.07	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	17.03	1.82
JAKCONS INDEX	17.95	3.83
JAKINFRA INDEX	32.12	2.07
JAKBIND INDEX	52.97	1.90
JAKTRAD INDEX	13.12	1.33
JAKPROP INDEX	1.09	0.87
JAKMINE INDEX	27.99	1.20
JAKMIND INDEX	11.11	1.19
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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