

KEY INDICATOR

18/09/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.90	6.94	(4.00)	(34.80)
USD/IDR	14,735.00	14,833.00	-0.66%	4.76%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,059.22	0.41%	-19.69%	18.47
MSCI	5,630.05	0.22%	-22.75%	18.37
HSEI	24,455.41	0.47%	-13.25%	12.82
FTSE	6,007.05	-0.71%	-20.36%	19.99
DJIA	27,657.42	-0.88%	-3.09%	24.11
NASDAQ	10,793.28	-1.07%	20.29%	36.54

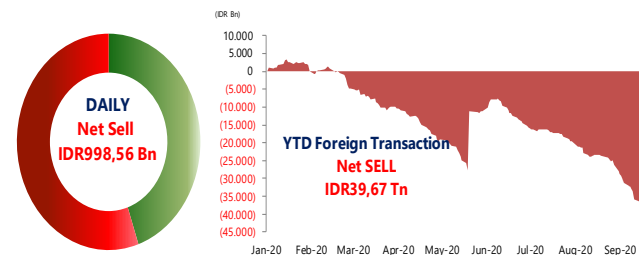
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	41.11	0.34%	-29.25%	-32.67%
COAL	USD/TON	52.05	0.29%	-20.35%	-23.12%
CPO	MYR/MT	3,080.00	3.53%	36.28%	0.92%
GOLD	USD/TOZ	1,950.86	0.33%	30.58%	28.58%
TIN	USD/MT	18,115.00	-0.41%	8.67%	5.47%
NICKEL	USD/MT	14,904.00	-1.19%	-13.35%	6.27%

CORPORATE ACTION

TICKER	EVENT	NOTES
SFAN	RUPS	

NET FOREIGN TRADING VALUE



Global Market Highlight

DJIA slipped by -0.88% on Friday (18/09) followed by S&P500 (-1.12%) and Nasdaq (-1.07%). Tech stocks continue to drag the market down as Apple, Microsoft, Amazon, and Alphabet tumbled down. Furthermore, the investors are anticipating over the latest issue on Covid-19 as London is said to have another lockdown after rising cases, while US-China tension rises on WeChat and TikTok Apps ban on the US. Moreover, the market will look forward to several data releases today, such as: 1) Chicago Fed National Activity Index; 2) China Loan Prime Rate; 3) Spain balance of Trade.

Domestic Updates

BI reported the price development is estimated to have deflation of -0.01% MoM in September 2020. With these developments, the inflation forecast for September 2020 is 0.92% YTD/1.46% YoY. Bank Indonesia will continue to strengthen coordination with the Government and relevant authorities to closely monitor the dynamics of the spread of COVID-19 and its impact on the Indonesian economy from time to time, as well as further policy coordination steps that need to be taken to maintain macroeconomic and financial system stability, as well as sustain Indonesia's economic growth remains good and resilient.

Company News

- INDY IJ** plans to issue global bonds worth up to USD650 million on the Singapore Stock Exchange (SGX-ST). The principal amount is more than 50% of INDY's equity value based on the Consolidated Financial Statements as of June 2020. Meanwhile, the maturity of the bonds is not later than 2027 or other period as agreed by the parties. For the coupon rate, INDY is still in discussion with related parties. The company plans to use the proceeds from transactions, including, but not limited to, for the purpose of business development, business diversification financing, settlement of the Company's obligations, as well as corporate financing in general (Market Bisnis). **MNCS Comment: While the bond has not been settled yet, we see that this is a bold move from INDY as they still record poor performance with net losses as of June 2020. Meanwhile, INDY's debt to equity ratio stood at around 3x which is quite high especially to issue an additional bond. INDY is currently traded at 0.36x PBV, lower than peers.**
- DSNG IJ** posted a brilliant performance with revenue growth of 21.9% YoY IDR3.15 trillion in 1H20. Meanwhile, domestic sales were still the company's largest contribution, amounting to IDR2.67 trillion, while export sales were IDR479.3 billion. In fact, DSNG sales expenses also increased; however, it seems that the company managed to suppress other expenses. Thus, net profit reached IDR181.73 billion which staggeringly increased by 165.16% YoY (Market Bisnis). **MNCS Comment: DSNG is definitely benefited from the increase on CPO price, as La Nina coming closer as well as China's and India's CPO demands rise, the future performance for DSNG is estimated to rise especially DSNG is backed by the ESG lending facility. DSNG is currently traded at 14.18x/1.35x PE/PBV.**
- *PURE IJ*** will build a nickel smelter plant in the special economic zone (KEK) Palu. The 200-hectare nickel smelter factory is expected to be completed in October 2021. The construction of the factory is in collaboration with PT Bangun Palu Central Sulawesi (PT BPST). Meanwhile, the operation of the plant will later utilize the Hydrometallurgical Step Temperature Acid Leach (STAL) technology which is being developed by the company (Market Bisnis). **MNCS Comment: We see that the construction plan will benefit PURE as the government plans on a tax incentive for companies with smelting plants. PURE is currently traded at 2.42x PBV.**

IHSG Updates

JCI rose by +0.41% to 5,059.22 on Friday (18/09) though still followed by net foreign sell reaching IDR998.56 billion. JCI rebounded after the fall out on previous days; this was also in line with the strengthening on regional Asia indices. Despite the continuous foreign outflow, the domestic investor managed to drive our index up with the Trade Sectors leading the movement. Meanwhile, the Rupiah exchange rate was strengthening at IDR14,735. We estimate JCI will move in the range of 5,000-5,187 while waiting for Motorbike Sales data release. **Today's recommendation: JSMR, TOWR, WIKA, HMSP.**

Stock	Close Price	Recommendation	Tactical Moves
JSMR	3,320	Buy on Weakness	As long as it is not corrected below 3.050 again, we estimate that currently JSMR is in wave 2 of wave (C).
TOWR	1,040	Spec Buy	We estimate that TOWR is forming wave B
WIKA	1,140	Buy on Weakness	As long as it is not corrected below the 1.040 level, at the moment WIKA is in the beginning of wave 3 of wave (C).
HMSP	1,515	Sell on Strength	Currently HMSP position is still in the part of wave [v] of wave C 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
Automotive											
ASII IJ	Astra International Tbk PT	193,511	3.43	BUY	5,500	(24.25)	25.37	11.77	9.39	0.97	0.91
Banking											
BBCA IJ	Bank Central Asia Tbk PT	694,039	12.18	HOLD	28,400	7.00	9.09	22.70	20.81	3.58	3.17
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	88,395	1.55	BUY	5,700	(28.97)	24.57	8.09	6.49	0.79	0.73
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	397,174	6.97	HOLD	3,200	(7.81)	1.06	12.42	12.29	1.87	1.73
BMRI IJ	Bank Mandiri Persero Tbk PT	260,167	4.57	HOLD	5,100	(4.62)	9.13	9.93	9.10	1.18	1.08
BNGA IJ	Bank CIMB Niaga Tbk PT	19,226	0.34	BUY	850	2.43	9.99	5.11	4.64	0.45	0.44
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	13,926	0.24	SELL	1,000	(24.98)	497.17	87.65	14.68	0.82	0.78
BRIS IJ	Bank Brisyariah Tbk PT	8,453	0.15	SELL	230	(32.21)	9.83	168.43	153.35	1.65	1.63
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	286,290	5.08	BUY	3,600	(8.00)	8.33	15.05	13.89	2.67	2.53
EXCL IJ	XL Axiata Tbk PT	23,018	0.41	BUY	2,700	21.73	5.39	26.36	25.01	1.15	1.10
TOWR IJ	Sarana Menara Nusantara Tbk PT	53,055	0.94	HOLD	950	13.11	8.81	20.56	18.90	5.01	4.42
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	24,096	0.43	HOLD	3,450	6.41	13.25	11.13	9.82	0.97	0.88
PGAS IJ	Perusahaan Gas Negara Tbk PT	25,211	0.45	BUY	1,200	83.33	27.27	11.60	9.11	0.40	0.39
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	306,154	5.43	HOLD	8,400	1.60	6.48	40.76	38.28	35.65	33.50
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	118,660	2.10	HOLD	10,300	6.31	9.52	22.11	20.19	4.34	3.92
INDF IJ	Indofood Sukses Makmur Tbk PT	66,073	1.17	BUY	8,500	3.50	11.05	13.01	11.71	1.63	1.50
HOKI IJ	Buyung Poetra Sembada PT	1,814	0.03	HOLD	700	(26.89)	37.61	23.62	17.17	2.45	2.08
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	23,100	0.41	BUY	1,400	118.02	13.34	13.01	11.48	3.51	3.29
TBLA IJ	Tunas Baru Lampung Tbk PT	4,247	0.08	SELL	630	(43.57)	5.01	10.47	9.97	0.79	0.75
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	72,422	1.28	SELL	1,280	4.28	7.25	27.70	25.83	4.10	3.77
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	27,440	0.49	SELL	1,400	(6.76)	6.90	28.30	26.47	5.03	4.60
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	9,462	0.17	HOLD	580	4.92	5.28	9.94	9.44	1.26	1.10
RALS IJ	Ramayana Lestari Sentosa Tbk PT	4,116	0.07	SELL	500	(32.91)	25.56	8.93	7.11	0.92	0.87
PZZA IJ	Sarimelati Kencana PT	1,783	0.03	BUY	840	4.23	20.53	8.58	7.12	1.13	0.97
Construction											
ADHI IJ	Adhi Karya Persero Tbk PT	1,887	0.03	BUY	660	(74.40)	99.60	10.54	5.28	0.28	0.27
PTPP IJ	PP Persero Tbk PT	5,177	0.09	HOLD	870	(58.56)	30.26	13.43	10.31	0.28	0.26
WIKA IJ	Wijaya Karya Persero Tbk PT	10,226	0.18	BUY	1,290	(69.76)	7.05	14.80	13.82	0.54	0.47
WSBP IJ	Waskita Beton Precast Tbk PT	4,086	0.07	BUY	262	(29.90)	18.70	6.73	5.67	0.46	0.45
WSKT IJ	Waskita Karya Persero Tbk PT	7,737	0.14	BUY	650	(67.97)	18.14	25.75	21.80	0.26	0.26
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,637	0.03	BUY	300	4.17	20.85	3.48	2.88	0.58	0.50



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F
Property											
BSDE IJ	Bumi Serpong Damai Tbk PT	16,302	0.29	BUY	1,110	(7.75)	12.60	5.68	5.04	0.41	0.38
PWON IJ	Pakuwon Jati Tbk PT	18,493	0.33	BUY	520	(9.02)	(3.70)	7.73	8.02	1.06	0.95
SMRA IJ	Summarecon Agung Tbk PT	8,223	0.15	HOLD	610	(69.64)	44.19	52.58	36.47	0.86	0.84
CTRA IJ	Ciputra Development Tbk PT	12,528	0.22	BUY	880	8.58	(11.20)	10.03	11.29	0.76	0.72
DMAS IJ	Puradelta Lestari Tbk PT	10,700	0.19	HOLD	228	(30.89)	31.52	11.60	8.82	1.78	1.98
Agriculture											
AALI IJ	Astra Agro Lestari Tbk PT	19,391	0.34	HOLD	9,125	240.96	15.24	26.94	23.38	1.01	0.97
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,925	0.12	HOLD	1,000	27.51	22.68	21.51	17.54	1.23	1.06
Coal Mining											
ADRO IJ	Adaro Energy Tbk PT	36,624	0.65	BUY	1,310	(18.31)	0.59	6.80	6.76	0.54	0.52
PTBA IJ	Bukit Asam Tbk PT	23,041	0.41	BUY	2,390	(16.98)	4.55	6.49	6.21	1.23	1.21
ITMG IJ	Indo Tambangraya Megah Tbk PT	9,407	0.17	BUY	10,630	(58.33)	(20.00)	10.21	12.77	0.37	0.32
Metal Mining											
ANTM IJ	Aneka Tambang Tbk	18,984	0.34	BUY	920	26.09	42.23	15.87	11.16	0.86	0.80
INCO IJ	Vale Indonesia Tbk PT	38,851	0.69	HOLD	3,590	13.79	2.00	47.98	47.03	1.20	1.16
MDKA IJ	Merdeka Copper Gold Tbk PT	35,036	0.62	HOLD	1,595	(21.21)	25.00	24.54	19.63	3.27	2.58
Poultry											
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	104,127	1.85	SELL	4,150	9.82	15.94	27.18	23.44	4.32	3.84
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,192	0.23	HOLD	1,150	(60.18)	121.37	18.71	8.45	1.11	0.99
Cigarette											
GGRM IJ	Gudang Garam Tbk PT	83,505	1.48	BUY	55,450	(16.02)	8.63	9.14	8.41	1.56	1.43
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	176,222	3.12	HOLD	1,650	(22.03)	3.26	16.47	15.95	5.25	5.28
Cement											
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	42,702	0.76	BUY	13,900	19.34	12.44	19.50	17.34	1.82	1.78
SMGR IJ	Semen Indonesia Persero Tbk PT	55,311	0.98	HOLD	9,000	30.77	(33.40)	17.69	26.57	1.64	1.59
Basic Industry and Chemical											
ARNA IJ	Arwana Citramulia Tbk PT	3,377	0.06	HOLD	450	18.73	7.01	13.17	12.31	2.17	1.71
Heavy Equipment											
UNTR IJ	United Tractors Tbk PT	88,777	1.57	SELL	19,930	(18.84)	13.03	9.67	8.55	1.32	1.14

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	16.32	1.77
JAKCONS INDEX	18.37	3.92
JAKINFRA INDEX	32.09	2.11
JAKBIND INDEX	41.92	1.82
JAKTRAD INDEX	11.65	1.33
JAKPROP INDEX	1.20	0.97
JAKMINE INDEX	14.48	1.10
JAKMIND INDEX	10.44	1.12
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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