

ANALISA SAHAM INDONESIA

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- * **The JCI trading range: 5,300pt - 5,425 pt (Yesterday close: 5,340pt)**
- * **Wall Street ended positively with the S&P 500 and Nasdaq hit record-highs**
- * **The JCI is expected to fluctuate on a higher trend by support of stable USDIDR and oil closes**

Morning,

The Jakarta Composite Index (JCI) today (27/8) is expected to fluctuate but to trend higher within the range of 5,300pt – 5,425pt by support of stronger USDIDR and oil close. Meanwhile, yesterday (26/8) in Wall Street the DJIA ended lower by 84 points or 0.3% at 28,332pt, while the S&P500 and the Nasdaq both closed higher by 1.0% and 1.7%, respectively. Wall Street seemed responded well on consumers' durable goods order data that increase by 11.2% MoM in July, higher-than-expected of 4.3% MoM.

Indonesia consumer sector

- ***gets a gauge from the 2Q20 of BRIS financial performance***

Cautious-optimistic investors in the domestic market were blasted this week by medias with news on the financial performance of Bank BRI Syariah (BRIS) for the six months ended June this year.

BRIS is one of the total 4 (four) syariah-based financial services counters listed in the Indonesia Stock Exchange. The other 3 (three) are, namely, Bank BTPN Syariah (BTPS), JMAS (Asuransi Jiwa Syariah Jasa Mitra Abadi), and PNBS (Bank Panin Dubai Syariah).

During the 1H20, BRIS reported net profit of IDR117.2bn, or an increase of 229.6% as compared to 1H19. The growth of the bottom line was supported mainly by financing growth and, of similar importance from sources of cheap third-party-fund or current account and saving account (CASA). Financing during the 1H20 grew by 56% YoY to IDR37.4tr, mainly backed by micro financing, which is of the highest contributor, along with the others of consumers and partnership financing segments.

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Growth in the micro financings segments suggest that borrowers that involved in small-scale businesses in the country are more-than-adequately thriving during the current pandemic climate. Growth has also been crucially- facilitated by technology advance whereby digital application on the BRIS's products are highly accessible for borrowers. The growth resilience from this segment as well as the higher yield triggered higher profitability to the bank.

During the 1H20 , CASA made up of 54.3% of total third-party-funds of IDR22.3tr and grew by 91% YoY. As a result, the average cost-of-funds declined to 3.67% in 1H20 as compared to 4.72% in the 1H19. According to BRIS's management, during this time of uncertainties that arise from the Covid-19, people are inclined to save more, that led to higher growth of CASA. The reason is in- line with major consumer surveys conducted in Indonesia, in our note.

To make a general conclusion, the above suggests that expansive monetary policy, consumer behavior, and corporate responses can work in-tandem to mitigate the negative impact of Covid-19 to the economy.

At the other end, yesterday the WTI price closed almost unchanged by 4 cents at USD43.4/barrel on supply worries as storms hit the Gulf Coast. Meanwhile the USDIDR closed at IDR14.636 vs. IDR14.632 the previous one.

We advise the following recommendations, for both trading and longer-time investment purpose. **AALI, LSIP (sector of Agri, allocation suggestion Underweight), UNTR, ITMG, ADRO, PTBA (sector of Coal Mining, allocation suggestion Market-weight), GGRM, UNVR, ICBP (sector of Consumer, allocation suggestion Overweight), ASII (sector of Automative, allocation suggestion Market-weight), and ACES, SCMA, MAPI (sector of Trade, allocation suggestion Overweight),and TKIM (sector of Basic Industry, allocation suggestion Market-weight).**

Cheers,

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