

ANALISA SAHAM INDONESIA

September 3, 2020

- * **The JCI trading range: 5,275pt - 5,425pt (Yesterday close: 5,312pt)**
- * **Wall Street ended higher by over 1% as investors eagerly wait for weekly jobless claim today, at an improved-and-below 1mn consensus estimate of 950k units**
- * **The JCI is expected to gain edge but restrained by weakened USDIDR and oil close**

Morning,

The Jakarta Composite Index (JCI) today (3/9) is expected to be within the range of 5,275pt – 5,425pt, tend to stay in positive momentum in the midst of less-supporting USDIDR and oil close. Meanwhile, yesterday (2/9) in Wall Street the DJIA ended higher by 455 points or 1.6% at 29,101pt, while the S&P500 and the Nasdaq both closed higher by 1.5% and 1.0%, respectively. Investors eagerly expect weekly jobless claim for the period ended August 29 to decelerate to below 1mn cases.

Indonesia Consumer Sector

can be hurt if the Parliament being imprudent, especially more during the pandemic Covid-19 period

During the current pandemic situation, people representatives in the Parliament should exercise restrain and prudence in the process and the ratifications of subject-laws that are gist to public feel and welfare, in our note.

The most recent example was that of the draft law of Pancasila Course Directions (or HIP = Haluan Ideologi Pancasila) that sparked massive gatherings, both to discuss and to protest. Fortunately, the process has been delayed, before huge loss in-terms of uncertainties that may

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lead to situations, from consumers substantially lowering spending to chaos that may lead to bank-runs.

The latest one, on the news on August 31, was the draft law to amend the law of central bank the year 2008, that cover the mandate of the entity of the central bank Bank Indonesia. This topic, unlike that of the HIP, being more specific in nature, limit the interest of only those involved in the financial sector. However, unless being address in a just and clear manner, this too, may lead to situations that eventually hurt consumers. The core subject being debated by stakeholders are that of independency of the central bank, as the amendment allow structure so as to provide space for the government to have significant involvement in to regulate the country monetary stance.

Too much involvement will provide crack for bad politics to interfere that may lead to loss of investors' trust, in our view.

At the other end, yesterday (2/9) saw the Indonesian government bonds yield increased along with selling pressures. The 10-year government bonds yield was at 6.906% vs. 6.877 in August 31 (September 1: 6.926%). Meanwhile , the 5-year maturity yield was at 5.552% yesterday vs. 5.539% in August 31.

At the other end, yesterday the WTI price closed lower by 2.9% at USD41.5/barrel as compared to the previous one. Meanwhile the USDIDR closed at IDR14.804 vs. IDR14.615 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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