

## ANALISA SAHAM INDONESIA

**October 12, 2020**

**\* The JCI trading range: 4,985pt - 5,125pt ( Friday close: 5,054pt)**

**\* Wall Street ended higher by some 1% as 3Q earnings season kicks in to tomorrow**

**\* The JCI is expected to trend higher also on support of stable USDIDR**

Morning,

The Jakarta Composite Index (JCI) today (10/12) is expected to be in the range of 4,985pt – 5,125pt, to fluctuate but attempt higher also on the lift of large scale social distancing (PSBB) back into a transition – PSBB effective today. Meanwhile, Friday last week (10/9) the DJIA closed higher by 161 points or 0.6% to 28,587pt, while S&P500 and the Nasdaq both increased by 0.9% and 1.4%, respectively.

### **3Q20 earnings season might provide triggers**

Against current depressed valuations in the Jakarta exchange, 3Q20 earnings results might triggers upward re-rating, at the time when data releases meet the consensus estimates. In a transition of pandemic situation, predictability trait is a factor is of higher value as compared to a normal situation, in our note. This implies sectors of consumers, trade, automotive, is expected again to be in the favor of more risk-prudence investors.

### **Pandemic-free, the constant monitor**

PSBB transition is decided to start today in Jakarta as epidemic and health facility data has seen to be improved, to be effective until October 25. In the transition-PSBB business of non- essential and essential sectors are both able to operate on at least of 25%-50% capacity vs. 0%-25% previously. Residents seem to have been accustomed to the COVID-19 virus, as indicated among others, of Positivity Rates (PR) in capital city Jakarta of above 10% in recent weeks, unfortunately. To get a

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steady declining PR requires cohesive actions not only within regionals but also from the central government, which is now a challenge to the country, in our note.

At the other end, Friday last week the WTI price closed lower by 1.4% at USD40.6/barrel as compared to the previous one, on end of labor strike in Norwegian's oil rigs. Meanwhile the USDIDR closed at IDR14.737 vs. IDR14.750 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 Automotive, 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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