

ANALISA SAHAM INDONESIA

November 11, 2020

*** The JCI trading range: 5,415pt-5,550pt (Yesterday close: 5,463pt)**

*** The DJIA closed higher by 0.9%, while the S&P500 and the Nasdaq were down by 0.1% and 1.4% respectively , on stock rotation**

*** The JCI is expected to consolidate and supported by stronger USDIDR and oil close**

Morning,

The Jakarta Composite Index (JCI) today (11/11) is expected to be in the range of 5,415pt – 5,550pt, to extend gain although limited, also by support of sound and stable domestic financial system.

Meanwhile, yesterday (11/10) the DJIA closed higher by 263 points or 0.9% to 29,421pt, while the S&P500 and the Nasdaq both ended lower by 0.1%, and 1.4%, respectively. The broader indices gained as investors shifted from technology counters into those of economic-recovery ones.

Encouraging trend of inflow to the domestic stock market (2)

Yesterday saw net a foreign inflow of IDR2.3tr, bringing total accumulated journal to IDR44.0tr compared to that of in October 27 of IDR47.4tr (please refer to market note dated 10/27), a positive development. We relate the development to several factors as (1) the country's attractive yield differential, (2) sound and stable financial system, (3) and the 3Q20 GDP figure data that showed a meaningful QoQ improvement . However, most important, latest 7-days average of new cases of COVID-19 in capital city Jakarta has improved to 9.1% as compared to 9.9% in the previous weeks and to 11%-13% in the preceeding weeks.

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All the while, Indonesia is also expected to benefit from the latest progress on COVID-19 vaccine , by Pfizer and BioNTech. This product seems to outstand the other vaccine's producers such as Astra Zeneca and Oxford University, Novovac and Valneva.

As government of most countries seems to have been implementing the best possible monetary, fiscal, and social policies to face the COVID-19 virus case, the confirmation of the appropriate vaccine will be the main determinant for most economies to be back in normal and in improving level, in our note.

At the other end, yesterday (11/9) the WTI price closed higher by 2.7% at USD41.4/barrel on promising results of last-stage trials of COVID-19 vaccines by Pfizer and BioNTech . Meanwhile, the USDIDR closed at IDR14.015 vs. IDR14.172 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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