

ANALISA SAHAM INDONESIA

November 2, 2020

*** The JCI trading range: 5,050pt -5,200pt (Tuesday close: 5,128pt)**

*** Wall Street was down by 6.5% in the last week, on the uncertainties of the United States (US) presidential as well as the renewed lockdown in Europe**

election

*** The JCI is expected to fluctuate and being supported by stable USDIDR close**

Morning,

The Jakarta Composite Index (JCI) today (11/2) is expected to be in the range of 5,050pt – 5,200pt, to fluctuate and being supported by stable USDIDR close. Although not independent of what is happening in the US and Europe, the Indonesia stock market is expected to show some resilience for the following factors. Firstly, the consumers' consumption is expected to have picked up that would be reflected in October's CPI data release scheduled today. Secondly, the Positivity Rates of new cases of COVID-19 in the capital city Jakarta is stable at 9.9% in the last 14 days, which is meaningfully-lower compared to 11%-13% in the previous weeks.

Meanwhile, Friday last week (10/30) the DJIA closed lower by 158 points or 0.6% to 26,502pt, while the S&P500 and the Nasdaq dipped by 1.2% and 2.5%, respectively.

Unchanged domestic reference rates in October makes the stock and financial market appealing (8)

Against the previous week of foreign total net sell of IDR1tr, last week of 2 (two) trading days, the JCI recorded a weekly foreign net buy of IDR236bn.

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Tuesday last week (10/27) foreign net buy was recorded at IDR108bn, bringing accumulated foreign net sell this year to IDR47.3tr (2019: net buy of IDR49.2tr, 2018: net sell IDR50.7tr). Unfavorable situations in other countries, be it by the economic data or by the social and politics indicators, is expected to lower the accumulated value of foreign net sell into the end of the year. Also, in the meantime, improving economic data in major countries in Asia is expected to benefit the domestic stock market, we note.

At the other end, Friday last week (10/30) the WTI price closed lower by 1.1% at USD35.8/barrel bringing a total decline of 12% since the last week, for the renewed lockdown in Europe as well as the US presidential election tomorrow (11/3). Meanwhile, Tuesday last week the USDIDR closed at IDR14.690 vs. IDR14.697 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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