

## ANALISA SAHAM INDONESIA

**December 21, 2020**

**\*The JCI trading range: 6,050pt - 6,200pt (Friday close: 6,104pt)**

**\* Wall Street ended lower by some 0.5% as lawmakers fell into last-minutes dispute that prevented a pass on a COVID-19 aid bill worth USD900bn**

**\* The JCI is expected to fluctuate and be supported by stable USDIDR and commodities' close**

Morning,

The Jakarta Composite Index (JCI) today (12/21) is expected to be in the range of 6,050pt – 6,200pt, being propped by trending higher USDIDR and commodities' price close. Meanwhile, Friday last week (12/18), the DJIA closed lower by 124 points or 0.4% to 30,179pt, while the S&P500 and the Nasdaq both ended lower by 0.4% and 0.1%, respectively.

### **Into the year 2021 in the IDX (Indonesia Stock Exchange)**

At present, the rolling out of COVID-19 vaccination programs world-wide is expected to boost confidence and lower uncertainty and fulfill economic recovery forecasts. At present, world economic growth is projected at 4% +by major institutions, from an estimate of contraction this year. In addition, the equity indices, usually seen as a leading indicator of the economy have turned positive for the year last Friday, as in Malaysia (+3.8%), Vietnam (11.1%), Australia (+1.8%), South Korea (26.1%).

Indonesia stock market is expected to tread similar positive course, with the JCI currently at -3.1% year-to-date, and +56% off its year-low on March 24. For the year 2021, market consensus 12M-target for the JCI, as quoted from the media, is at the range of 6,000pt – 7,000pt, which is an acceptable range, given the current overall business climate and particular valuations indicators.

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At the other end, given the latest development, we are comfortable to maintain our set of recommendation below both for trading and longer- term investment goal. The selected counters not only represent the vibes of domestic economy but also of high level of market capitalization and of sound fundamental performances, and of decent prospect of growth, while in a moderate valuations stage.

Starting in 2021, ASII and GGRM are omitted from the list, while MNCN, ULTJ, and SIDO are added for the purpose of ethical investing for adherence to the OJK 's (Otoritas Jasa Keuangan or financial service authority) shari'a list of companies.

At the other end, yesterday the WTI price closed higher by 1.5% to USD49.1/barrel vs. the previous one as investors focused on the rollout of COVID-19 vaccines and looked past rising coronavirus cases across the world. Meanwhile, the USDIDR closed at IDR14.146 vs. IDR14.152 the previous one.

We advise the following recommendations, for both trading and longer-time investment purpose. **AAI, 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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