ANALISA SAHAM INDONESIA

December 29, 2020

*** The JCI target range: 6,050pt - 6,250pt (Yesterday close: 6,094pt)**

*** Wall Street ended with major indices hit record high after the United States president Trumpt signed the COVID-19 relief bill into law yesterday**

*** The JCI is expected to gain edge amid lower oil close, also being supported by stable USDIDR close**

Morning,

The Jakarta Composite Index (JCI) today (12/29) is expected to be in the range of 6,050pt – 6,250pt, expected to resume gain to share regional positive vibes, also as bargain hunters should be more spirited from higher commodities' price. Meanwhile, Thursday last week (12/28), the DJIA closed higher by 204 points or 0.7% to 30,404pt, while the S&P500 and the Nasdaq both ended higher by 0.9% and 0.7%

Commodities' price is expected to create short-term euphoria, out-weighting medium-term concern of COVID-19 escalating and new variant cases, both in domestic and global scope

Mining sectors in the Indonesian Stock Exchange (IDX) with the underlying of coal, nickel, and gold, is expected to propped-up the performance of the JCI in the shorter-term. The most recent higher trend of the price is expected to attract more shorter-term investors to place bet against the sustainability of the pattern. In addition, especially the case for coal, whose higher price is widely believed due to restriced supply over demand, valuations remain tempting. For example, PTBA is now trading at 14.2x this year's annualized estimate which is at a favorable spot against the IDX universe of a trailing weighted-average earnings multiple of 37.0x. The same argument goes for ADRO, and ITMG, both at 22.1x, and 19.9x, respectively.

For longer-term investors, our suggested holding as described below remains intact, as current moderate valuations is expected to be in place before growth factor takes over. The argument is also most suitable for current laggard sector of consumers.

For longer-term investor of domestic holding may bear in mind of the naturally-diversifed trait Indonesia economy. Holding on counters of middle-income based products & services, of common basic-consumptions, of coal-based commodities , of cpo-based agriculture counters, and other major blue-chip stocks , other thing being normal , may prove to be a less worrying stock investments activity.

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*).

At the other end, yesterday the WTI price closed lower by 1.3% to USD47.6/barrel against the previous close on worries that new variant of COVID-19 virus might repress short-term demand. Meanwhile, the USDIDR closed at IDR14.184 vs. IDR14.282 the previous one.

Cheers,