

## ANALISA SAHAM INDONESIA

December 7, 2020

**\* The JCI trading range: 5,775pt - 5,950pt (Friday close: 5,811pt)**

**\* Wall Street ended higher by some 1% , also buoyed up by general optimism on COVID-19 vaccines' progress**

**\* The JCI is expected to gain edge also on stable USDIDR and oil-close**

Morning,

The Jakarta Composite Index (JCI) today (12/7) is expected to be in the range of 5,775pt – 5,950pt, also be supported by stable USDIDR close. Meanwhile, Friday last week (12/4), the DJIA closed higher by 249 points or 0.8% to 30,218pt, while the S&P500 and the Nasdaq both ended with gain of 0.9% and 0.7%, respectively. The United States (US) unemployment rate for November declined to 6.7% YoY as widely-expected, from 6.9% YoY. The lower unemployment rate added optimism for faster rate of economic recovery in the US.

### **Present for Indonesia from coal and cpo sectors**

In the news last weekend is the arrival of COVID-19 vaccines in the country. Vaccines availability is expected to bring comfort into COVID-19 – free business climate around next year. All the while, the cycle has arrived for coal and cpo sectors to rise. The two factors is expected to give better space both for public and private sectors to revise spendings and investments patterns in favor of higher economic growth next year.

Current thermal coal higher price, is essentially a normal cycle, in our note, especially true during a pandemic situation (please see report July 27). The interruption of major countries' political and social shifts' focus into the preservation of global climate, have benefitted major coal-producing countries, including Indonesia, through restrained world- supply. Indonesia is now among the highest producers of thermal coal , with production totaled 515mn tonnes in 2018 (2019: 545mn tonnes), while exports was recorded at total of 429mn tonnes in 2018 (2019: 453mn tonnes).

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At the other end, last week the WTI price closed higher by 1.0% to USD46.3/barrel, mainly on improved sentiment for future demand. Meanwhile, the USDIDR closed at IDR14.182 vs. IDR14.177 the previous one.

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