

ANALISA SAHAM INDONESIA

January 22, 2021

- * The JCI trading range: 6,350pt - 6,450pt (Yesterday close: 6,414pt)**
- * Wall Street closed almost unchanged, on a muted mode after reaching record highs the previous day**
- * The JCI is expected to fluctuate and supported by stable USDIDR and oil close**

Morning,

The Jakarta Composite Index (JCI) today (1/22) is expected to be in the range of 6,350pt – 6,450pt tend to consolidate but backed by stable USDIDR and oil close . Meanwhile, yesterday (1/21) the DJIA closed lower by 12 points or by 0.04% to 31,176pt, while the S&P500 and the Nasdaq both ended higher by 0.03% and 0.6%, respectively.

Food & Beverages sector is estimated to grow by 5%-7% YoY this year

Gabungan Pengusaha Makanan dan Minuman Indonesia (The Indonesian Food & Beverages Association or GAPMMI) estimates that the sector to grow by 5 – 7% YoY this year vs. expected of 4% YoY last year. Meanwhile, growth rate of the sector during January – June 2020 was at 2.03% YoY as compared to 7.4% YoY during January – June 2019.

Food & Beverages, excluding Restaurants (F&B) is of the biggest contributor in the private consumption account of the country's economy statistic, constituted of 38% of total private consumption during the 3Q20. In the 3Q20, the F&B grew by 3.4% QoQ, a reverse from a contraction of 4% QoQ during the 2Q20. The pandemic related lock-down initiated in mid-March had impacted the F&B figure meaningfully given the festive Eid took place in the same 2Q20.

Estimating the F&B to grow by 6% in the 4Q20, or about twice the rate of the 3Q20, total annual F&B account is projected to growth by 2.4% YoY last year. This implies the Association's growth rate estimate of 5% -7% YoY this year seems slightly aggressive, in our preliminary note. To make a comparison, Food & Refreshment segment of the publicly listed UNVR grew by -10.9% QoQ during the 3Q20 (2Q20:+1.5% QoQ, 9M20:-3.5% YoY).

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At the other end, yesterday the WTI price closed lower by 0.3% to USD53.1/barrel as compared to the previous close. US weekly oil inventory data release pointed to an increase of 2.6mn barrels as compared to the estimated withdraw of 1.2mn barrels. Meanwhile, the USDIDR closed at IDR14,039 vs. IDR14,065 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), SIDO, ULTJ, UNVR, ICBP (sector of Consumer, allocation suggestion Overweight), and ACES, SCMA, MAPI, MNCN (sector of Trade, allocation suggestion Overweight), and TKIM (sector of Basic Industry, allocation suggestion Market-weight).**

Cheers,

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