



AGRI	BSIC	CONS	FINC	INFR	MINE	MISC	PPTY	TRDE	MFTG										
1,186.45	725.59	1,891.23	1,108.65	823.48	1,367.60	864.36	335.48	624.32	1,208.12										
1.39	0.12%	5.27	0.73%	-18.72	-0.98%	-12.68	-1.13%	-11.27	-1.35%	-22.71	-1.63%	-5.01	-0.58%	-1.37	-0.41%	-3.20	-0.51%	-5.03	-0.41%

STOCK INDEX	CLOSE	Chg	%Chg
JCI	5,058.48	(42)	-0.83%
LQ-45	781.37	(9)	-1.19%
IDX30	428.20	(5)	-1.17%
DJIA	28,033.77	38	0.14%
Nasdaq	11,050.47	(140)	-1.25%
S&P 500	3,385.50	(16)	-0.46%
Nikkei	23,475.53	21	0.01%
Hang Seng	24,725.63	(7)	-0.03%

TRADING STATISTICS

Trading Volume (m shares)	10,242
Trading Value (b IDR)	6,495
Trading Frequency (in times)	571,993
Fgn Net Trade Value (b IDR)	(851)
YTD Fgn Net Trade Value (b IDR)	(38,266)

CMDTY & CCY	CLOSE	%Chg
WTI	40.11	4.75%
Brent	42.24	4.17%
Gold	1,957.64	0.22%
Coal (USD/MT)	57.65	3.78%
Copper (US\$/lb.)	3.07	0.44%
Nickel (US\$/MT)	15,147.00	-0.52%
CPO (MYR/MT)	2,643.00	0.00%
USDIDR	14,844.00	-0.17%

MACROECONOMIC INDICATORS	Last	Prv
BI 7-Day RR	4.25%	4.50%
Inflation Rate (August 20)	1.54%	1.32%
GDP (2Q20)	-5.32%	2.97%
10-yr Govt Bond	6.84%	6.88%

FOCUS

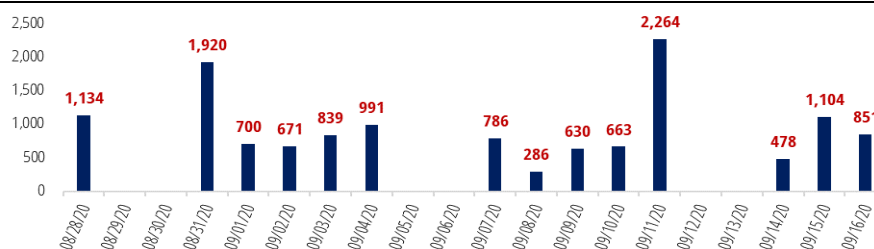
FOREIGN INVESTORS KEEP AWAY FROM DOMESTIC EQUITIES

The outflow of foreign capital from the Indonesian stock market continues. At the close of trading on Wednesday (9/16), foreign investors recorded another net sale of Rp850.5 billion, which at the same time fulfilled the net sell record of 14 consecutive trading days since August 28. As a result, foreign net sell jumped by Rp13.3 trillion over the two-week period, compounding the year-to-date accumulation to Rp38.3 trillion.

What happens with foreign investors' appetite? Likely, it has something to do with the potential for a continued economic downturn amidst the Covid-19 pandemic that has not subsided, causing a temporary withdrawal of funds from domestic equity instruments. The re-implementation of the PSBB in DKI Jakarta causes the probability of a recession to be even greater, considering that GDP had already dropped -5.32% Y/Y in Q2 and has the potential to return to negative growth in Q3. On the other hand, domestic demand also tends to be weak as reflected in the low annual inflation rate at 1.32% in August 2020. In fact, monthly deflations of 0.10% and 0.05% occurred in July and August 2020, respectively. In addition, the still weak domestic demand is also reflected in the large trade balance surplus for four consecutive months (May-August) as imports fell deeper than exports, while more than 70% of imports were for raw materials.

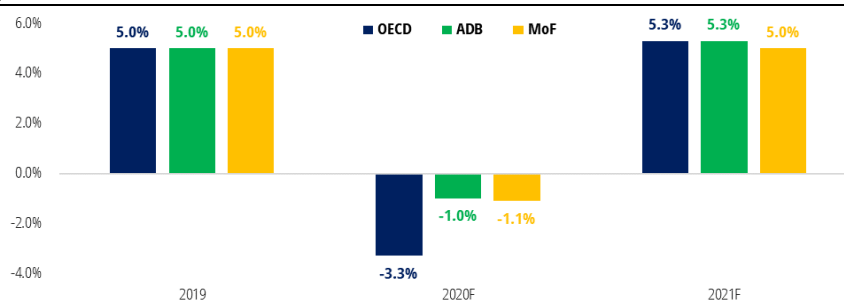
However, despite the tendency to be pessimistic, recently the Organization for Economic Cooperation and Development (OECD) has actually revised its projection for Indonesia's economic growth from -3.9% to -3.3% this year and 5.3% in 2021. On the other hand, the Asian Development Bank (ADB) in its latest release maintains the projection for Indonesia's economic growth to remain at -1.0% this year and 5.3% next year.

Fig 1: Daily Foreign Net Sell (IDR bn)



Sources: IDX, MPIS Research

Fig 2: Indonesia Economic Outlook



Sources: Bisnis.com, MPIS Research



MARKET RECAP

On Wednesday trading (9/16), JCI declined by -42.4 pts (-0.8%) to 5,058.5. Total transaction volume reached 10.2 billion shares with a transaction value of Rp850.5 billion. However, foreign investors still posted a net sell of Rp850.5 billion, compounding the year-to-date foreign net sell to Rp38.3 trillion.

The advancing sectors were basic industry (+0.7%) and agriculture (+0.1%). The retreating sectors were led by infrastructure (-1.4%), finance (-1.1%), and consumer goods (-1.0%). Stocks supporting the JCI were INKP (+9.0%), SOHO (+19.7%), and TPIA (+1.1%). By contrast, stocks weighing down the JCI were BBCA (-1.9%), BBRI (-2.1%), and HMSP (-2.5%).

U.S. NEWS

U.S. stocks closed mostly lower after the Fed held key interest rates unchanged at a range of 0% and 0.25%, in line with market expectations. The dot plot signaling that the Fed may hold them there until 2023 as the economy attempts to clamber out of the coronavirus-induced recession. The Fed but also warned of risks to the economy

without additional fiscal stimulus during the coronavirus pandemic and saw the US economy shrinking 3.7% in 2020, compared to a 6.5% drop projected in June but see a slower 4% growth in 2021. The DJIA rose 0.14%, to 28,033.77, the S&P 500 lost 0.46%, to 3,385.58 and the Nasdaq Composite dropped 1.25%, to 11,050.47.

U.S. Treasury yields rose after the Fed kept FFR unchanged at 0%-0.25%. The benchmark 10-year notes were down 3/32 to yield 0.688%. The 30-year bonds fell 14/32, yielding 1.447%. The 2-year notes were flattened to yield 0.139%

Crude oil prices jumped after the EIA reported that U.S. crude inventories fell by 4.4 million barrels for the week ended Sept. 11, while worsened Hurricane Sally forced the shutdown of more than a quarter of offshore Gulf of Mexico crude production and a number of refineries. WTI crude rose by 4.78% to US\$40.11/barrel, while Brent crude rose by 4.22% to US\$42.24/barrel.

NEWS FROM THE MARKET

MACRO UPDATE

OECD PREDICTED IN 2020 INDONESIA'S ECONOMY -3.3%

The Organization for Economic Co-operation and Development (OECD) in the September 2020 edition of the OECD Economic Outlook Interim Report predicts that Indonesia's economy in 2020 will be in the range of -3.3% or experience improvement when compared to the previous OECD projection of -3.9%. Furthermore, the OECD estimates that Indonesia's economy in 2021 will again be in the range of 5.3%. This increase is based on the rapid improvement in Indonesia's economic conditions following the easing of the PSBB and business re-opening.

INDUSTRY UPDATE

THE GOVERNMENT IS PROPOSING 0% TAX ON NEW CAR PURCHASE

To provide a stimulus to the market and at the same time encourage the growth of the automotive sector during the COVID-19 pandemic, Minister of Industry Agus Gumiwang Kertasasmita proposed relaxing the new car purchase tax by proposing the relaxation of sales tax

(PPn) and luxury sales tax (PPnBM) to the Minister of Finance and propose to the Minister of Home Affairs to relax the transfer of name (BBN) tax and motor vehicle tax and progressive tax. Quoting from CNBC, the chairman of the Indonesian Automotive Industry Association (GAIKINDO), Yohannes Nangoi, said that the incentive would have a broad impact on the automotive industry. The fall in prices will improve people's purchasing power. GAIKINDO has proposed to the Minister of Finance to relax the 0% new car tax until December 2020, and it is hoped that this relaxation can be given until the next 1Q2021.

COMPANY UPDATE

WSKT ACQUIRED Rp1.08T OF NEW CONTRACT VALUE

PT Waskita Karya Tbk (WSKT) acquired 3 irrigation infrastructure projects worth Rp1.08T, adding to WSKT's new contract value achievement this year to Rp9.6T. The projects are: Bendungan Way Sekampung package IV, Bendungan Jragung package I, and Sewerage Jambi B2. In addition, WSKT is now working on 9 other dam projects that are spread across Indonesia.



PGAS RECORDED JARGAS REALIZATION 73.8% OF THE FY2020 TARGET

PT Perusahaan Gas Negara Tbk (PGAS) recorded that the realization of the construction of household gas networks (jargas) until September 2020 had reached 94,400 SRT or reached 73.8% of the FY2020 target covering 23 regencies/cities in Indonesia. PGAS received an assignment from the government to build jargas with 127,864 SRT funds from the 2020 State Budget. This number was adjusted, due to the efficiency policy of the government, from the original 266,070 SRS divided into 127,864 SRS in 2020, and 138,206 SRS built-in 2021.

At the same time, in order to improve efficiency, PGAS is cutting costs for the Rokan Block Oil pipeline project. From previously around US\$450 million to US\$300 million. This cost efficiency is obtained from the optimization of the Final Investment Decision (FID) determination stage and the procurement process. So that there is a reduction in costs for the Rokan pipeline project to US\$300 million.

GIAA RECORDED TRAFFIC DROP BY 50%-72%

PT Garuda Indonesia (Persero) Tbk (GIAA), starting from January 2020 to August 2020, recorded a 72% decrease in passenger traffic and a 50% decrease in cargo traffic when compared to the same period in 2019. The company's revenue is 51% -75% derived from 2 operational activities, namely domestic production which decreased by 55%, and international production which recorded a decrease of 88%. Therefore, the company predicts that there will be a decline in revenue of up to 51% -75% with a decrease in net profit of more than 75% in FY2020.

GDYR OBTAINED A CREDIT FACILITY OF Rp280 B

PT Goodyear Indonesia Tbk (GDYR) obtained a credit facility from PT Bank BNP Paribas Indonesia worth Rp280 B with a period of up to 31 August 2021. This facility will be used by the company to finance working capital needs.

DPUM GAINED PERMISSION FOR RESTRUCTURING

PT Dua Putra Utama Makmur Tbk (DPUM) restructured its loans from Lembaga Pembiayaan Ekspor Indonesia (LPEI) worth Rp751.1B that are divided into 9 installments. The loans are both IDR and USD denominated loans. The restructuring scheme is started from July 2020 to June 2030.

SMBR IS DEVELOPING DOWNSTREAM PRODUCTS

PT Semen Baturaja Tbk (SMBR) is developing downstream products, which are white clay and mortar. This year, SMBR aims for mortar sales volume to reach 905 tons; while white clay sales volume is estimated to reach 50,000 tons, underpinned by sales to PT Pupuk Sriwidjaja Palembang (Pusri). Initially, mortar products will be marketed in Bandar Lampung. Furthermore, white clay will be focused on fertilizer producers. SMBR has prepared 2 production units with a capacity of 1.5 tons and 6 tons per day in Lampung for mortar, and a production facility with 160 tons per day for white clay located in Baturaja plant.

FREN WILL CONVERT BONDS INTO SHARES

PT Smartfren Telecom Tbk (FREN) will execute its convertible bonds into shares, which will become new shares series C, on September 22. The convertible bonds 2014 (OWK II) and convertible 2017 (OWK III) totaling Rp3.4T will be converted to 34B shares, which is equal to 42.5% of total convertible bonds issued by FREN. The exercise price will be at Rp100/share.



TECHNICAL OUTLOOK

JCI IS POSITIVE, WITH EXPECTED RANGE OF 5,010 to 5,160

JCI closed lower to 5,058. The Support lay at 4,754 while the Resistance hanging still at 5,220/380. EMA 5&20 still in death cross pattern while PSAR green still appeared. MACD leaning to positive along with Stochastic still signaling positive while RSI were curled slightly lower.



SUMMARY OF STOCK PICKS

TICKER	SUPPORT	RESISTANCE	ENTRY POINT	TARGET PRICE	CUTOFF PRICE	RISK-TO-REWARD RATIO	LAST PRICE	TEMPORARY GAINS /		STATUS
								PTS	%	
ADHI	500	1,015	600	995	490	0.28	555	(45)	-7.50%	BUY
ADRO	1,030	1,350	1,080	1,280	1,010	0.35	1,145	65	6.02%	HOLD
BBTN	900	1,930	700	1,800	650	0.05	1,340	640	91.43%	BUY
EXCL	1,920	2,600	2,250	2,500	2,100	0.60	2,130	(120)	-5.33%	BUY
FAST	880	950	885	950	840	0.69	930	45	5.08%	HOLD
HMSP	1,455	1,650	1,500	1,650	1,400	0.67	1,540	40	2.67%	BUY
MAPI	600	710	640	700	580	1.00	580	(60)	-9.38%	HOLD
PTBA	1,930	2,500	2,130	2,280	1,850	1.87	2,040	(90)	-4.23%	BUY
PWON	332	434	374	420	350	0.52	374	-	0.00%	BUY
WEGE	107	290	110	240	100	0.08	172	62	56.36%	BUY



Data & Agenda

ECONOMIC CALENDAR

Economic Indicator	Period	Date	Time (WIB)	Prv.	Forecast	Actual
Trade Balance	Agu-20	15-Sep	16.00	US\$3263 M	US\$2265 M	
Retail Sales (Y/Y)	Jul-20	9-Sep	8.00	-17.10%	-11.50%	-12.30%
Inflation (Y/Y)	Agu-20	1-Sep	12.00	1.54%	1.85%	1.32%
CCI (Y/Y)	Agu-20	8-Sep	16.00	86.2	90.0	86.9
FX Reserves	Agu-20	7-Sep	17.00	US\$135.1 B	US\$136 B	US\$137 B
GDP	2Q20	21-Sep	16.00	2.97%	-2.50%	-5.32%

Source: MPIS Research

MARKET STATISTICS

TOP GAINERS

TICKER	Close	Chg	% Chg
AKSI	290	58	25.00%
PTIS	179	34	23.45%
TFCO	330	58	21.32%
PURE	302	50	19.84%
SOHO	7,900	1,300	19.70%

TOP TRADING VALUE

TICKER	Close	Chg	% Chg
BBCA	28,750	(550)	-1.88%
BBRI	3,260	(70)	-2.10%
MDKA	1,530	(90)	-5.56%
INKP	9,400	775	8.99%
TLKM	2,790	(40)	-1.41%

MOST ACTIVE

TICKER	Close	Chg	% Chg
BBCA	28,750	(550)	-1.88%
BBRI	3,260	(70)	-2.10%
BEST	173	16	10.19%
MDKA	1,530	(90)	-5.56%
PURE	302	50	19.84%

TOP LOSERS

TICKER	Close	Chg	% Chg
PGJO	39	(4)	-9.30%
AMAR	320	(24)	-6.98%
ROCK	1,685	(125)	-6.91%
KBAG	81	(6)	-6.90%
DSSA	16,950	(1,250)	-6.87%

MOST TRADED

TICKER	Close	Chg	% Chg
BEST	173	16	10.19%
ENWY	69	1	1.47%
BRMS	63	(4)	-5.97%
BBKP	260	8	3.17%
PURE	302	50	19.84%

TRADING STATISTICS

Trading Volume (in mn shares)	10,242
Trading Value (in bn rupiah)	6,495
Trading Frequency (in times)	571,993
Foreign Net Trading Value (bn IDR)	(851)
YTD Fign Net Trading Value (bn IDR)	(38,266)

Source: IDX

Disclaimer

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