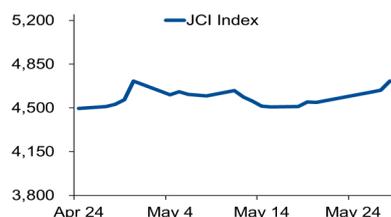
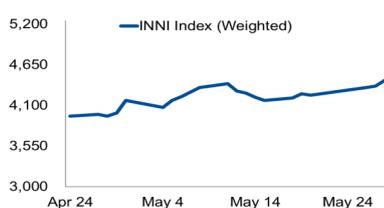


Morning Brief

JCI Movement



INNI Movement



Market Recap

The JCI went up for third straight day, marked by banking and basic industry sectors. **JCI's Top Gainers: Finance (+3.9%), Misc. Ind. (+3.1%), Property (+2.3%)**

Big bank stocks such as BBCA and BBRI were the main contributors of INNI Index's gain.

Daily Foreign & Domestic Sector Movement

Net Foreign Buy recorded at IDR434 billion. Foreigners started collecting banking stocks BBCA and BBRI with transactions amount of IDR514 billion and IDR502 billion respectively. This was driven by several factors such as: the OJK's relaxation policy on restructured loans, elimination of Capital Conservation Buffer from banking capital, and the delayment in Risk-Weighted Asset (RWA) and Credit Valuation Adjustment (CVA) to January, 1st 2023.

USD/IDR Highlight

USD/IDR closed down 0.03 percent to IDR 14,715/USD.

Today's Outlook: Low Inflation Predicted in May 2020

The DJI went down after some early gains at the start of trading. President Trump's plan to hold news conference on China and new Policies that threaten social media outlets such as Facebook and Twitter, have created some concerns. From domestic news, Bank of Indonesia (BI) predicts inflation rate for May 2020 at 0.09% monthly and 2.21% annually. As a consequence of social distancing, the traditional momentum of Eid Fitri has been unable to boost consumption this year.

Company News

- BBCA : Puts a Limit on E-Money Top Ups
- UNTR : Moody's Reaffirms Company Rating
- KLBF : Trials on Covid-19 Vaccine in June
- TLKM : Data Traffic up 22,8%

Domestic & Global News

- Exports of Processing Industry Grows 7%
- German Inflation Eases in May 2020

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.50%	Real GDP	2.97%	4.97%
FX Reserve (USD bn)	127.88	120.97	Current Acc (USD bn)	(3.92)	(8.08)
Trd Balance (USD bn)	(0.34)	0.74	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	-7.02%	-0.20%	FDI (USD bn)	4.51	4.60
Imports Yoy	-18.58%	-0.75%	Business Confidence	104.82	105.33
Inflation Yoy	2.67%	2.96%	Cons. Confidence*	84.80	113.80

JCI Index

May 28	4,716.55
Chg.	+74.63pts (+1.61%)
Volume (bn shares)	95.43
Value (IDR tn)	12.02
Adv 195 Dec 194 Unc 312 Untr 150	

INNI Index

Last	4,440.80
Chg.	+81.35pts (+1.32%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
BBCA	+6.6%	INCO	-2.7%
MAPI	+5.7%	JSMR	-2.6%
ASII	+4.4%	TLKM	-1.3%
BBRI	+3.8%	CTRA	-0.9%
SMGR	+3.8%	KINO	-0.8%

Foreign Transaction

	(IDR bn)
Buy	4,294
Sell	3,857
Net Buy (Sell)	434

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	514.8	ICBP	341.7
BBRI	502.9	BBNI	120.8
BMRI	94.0	TLKM	67.6
ASII	56.2	INDF	64.3
BNLI	43.3	MAPA	34.9

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.37%	0.02%
USDIDR	14,715	0.03%
KRWIDR	11.87	-0.44%

Global Indices

Index	Last	Chg.	%
Dow Jones	25,400.64	(147.63)	-0.58%
S&P 500	3,029.73	(6.40)	-0.21%
FTSE 100	6,218.79	74.54	1.21%
DAX	11,781.13	123.44	1.06%
Nikkei	21,916.31	497.08	2.32%
Hang Seng	23,132.76	(168.60)	-0.72%
Shanghai	2,846.22	9.42	0.33%
KOSPI	2,028.54	(2.66)	-0.13%
EIDO	16.90	0.38	2.30%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,718.3	8.9	0.52%
Crude Oil (USD/B)	33.71	0.90	2.74%
ICE NewCastle (USD/ton)	55.55	(1.05)	-1.86%
LME Nickel (USD/MT)	12,246	130.0	1.07%
LME Tin (USD/MT)	15,515	215.0	1.41%
CPO (MYR/ton)	2,268	(13.0)	-0.57%

BBCA : Puts a Limit on E-Money Top Ups

Bank Central Asia Tbk (BBCA) plans to put maximum limit on electronic money balance to IDR10 million per day which will be imposed on June 4th 2020. The reason for this is to minimize the potential of transaction frauds. (Kontan)

KLBF : Trials on Covid-19 Vaccine in June

PT Kalbe Farma Tbk (KLBF) has reached an agreement with a South Korean company, Genexine Inc to conduct trials on Covid-19 vaccine in Indonesia. KLBF will also involve other consortium in these trials such as Binex, IVI, GenBIO, KAIST, dan POSTECH. The company hopes that this project can be done in alliance with several government agencies. (Investor Daily)

UNTR : Moody's Reaffirms Company Rating

PT United Tractor Tbk (UNTR) was given a Baa2 rating (unchanged) with a stable prospect from Moody's Investor Services. One of the considerations for this rating was as strong cash position and the company's biggest market share on heavy equipment. Moody's predicts that global Coal Price will stabilize in 2021 which would help UNTR. (Bisnis Indonesia)

TLKM : Data Traffic up 22,8%

Telkomsel as a subsidiary of PT Telekomunikasi Indonesia Tbk (TLKM) recorded an increase in data traffic by 22,8% during Ramadhan and Idul Fitri period. Biggest growth came from South Sumatera, North Sumatera, and West Java. To date, Telkomsel owns 11,000 BTS 4G which cover 95% of Indonesia territory.

Domestic & Global News

Exports of Processing Industry Grows 7%

The performance of the processing industry exports was positive throughout January-April 2020 amid the COVID-19 pandemic. Shipments of processing industry products recorded a 7.14% YoY increase to USD42.75 billion, bringing the trade balance for the processing industry to a surplus of USD777.34 million. (Kontan)

German Inflation Eases in May 2020

German inflation slowed in May 2020, far below the European Central Bank's target. German consumer prices, harmonized to be comparable with inflation data from other EU countries rose 0.5% YoY in May, previously 0.8% in April 2020. (Reuters)

	Last Price	End of Last Year Price	Target Price*	Rating	Upside Potential (%)	1 Year Change (%)	Market Cap (IDR tn)	Price / EPS (TTM)	Price / BVPS	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth Yoy (%)	EPS Growth Yoy (%)	Adj. Beta
Finance						(22.7)	1,796.8							
BBCA	26,475	33,425	28,950	Hold	9.3	(7.8)	652.7	22.4x	3.8x	17.5	2.1	14.1	8.5	1.1
BBRI	2,730	4,400	3,100	Hold	13.6	(30.7)	336.7	9.7x	1.9x	18.6	6.2	13.0	(0.3)	1.3
Consumer						(24.3)	1,042.9							
GGRM	47,925	53,000	59,550	Buy	24.3	(40.2)	92.2	8.4x	1.7x	21.8	5.4	4.1	3.9	1.0
KINO	2,560	3,430	2,950	Buy	15.2	(0.4)	3.7	13.5x	1.4x	10.5	4.2	11.1	(81.3)	0.9
ICBP	8,325	11,150	<i>Under Review</i>	N/A	N/A	(14.4)	97.1	17.1x	3.6x	22.6	1.6	6.7	47.8	0.8
KLBF	1,355	1,620	1,430	Hold	5.5	-	63.5	24.6x	3.9x	16.3	1.9	8.0	12.5	1.1
Infrastructure						(24.0)	602.58							
TLKM	3,130	3,970	3,940	Buy	25.9	(16.0)	310.1	16.6x	3.1x	18.8	5.2	3.7	3.5	1.0
JSMR	3,810	5,175	4,600	Buy	20.7	(30.7)	27.7	12.5x	1.5x	12.4	1.2	(28.7)	0.2	1.3
Trade						(23.9)	543.4							
UNTR	15,100	21,525	20,000	Buy	32.5	(39.3)	56.3	5.6x	0.9x	16.9	8.2	(19.0)	(40.2)	0.8
MAPI	740	1,055	820	Hold	10.8	(15.9)	12.3	13.2x	2.0x	16.1	1.4	14.0	27.3	1.2
Property						(27.8)	301.7							
CTRA	545	1,040	1,550	Buy	184.4	(42.6)	10.1	9.5x	0.7x	7.2	1.8	(8.3)	(33.3)	1.3
WSKT	620	1,485	960	Buy	54.8	(64.8)	8.4	9.0x	0.5x	5.2	11.8	(35.7)	(76.3)	1.7
WIKA	1,085	1,990	1,380	Buy	27.2	(52.0)	9.7	4.3x	0.6x	14.6	3.6	(12.7)	32.0	1.7
Basic Ind.						(3.0)	575.0							
SMGR	9,600	12,000	14,300	Buy	49.0	(14.3)	56.9	22.2x	1.7x	8.0	2.2	5.6	66.7	1.3
Misc Ind.						(34.1)	251.9							
ASII	4,540	6,925	5,800	Buy	27.8	(36.9)	183.8	8.6x	1.2x	14.4	4.7	(9.4)	(7.8)	1.3
Mining						(24.2)	289.3							
TINS	472	825	830	Buy	75.8	(57.9)	3.5	N/A	0.7x	(10.7)	5.3	75.2	N/A	1.5
PTBA	2,090	2,660	2,775	Buy	32.8	(30.3)	24.1	6.0x	1.2x	20.6	16.3	(4.0)	(25.0)	1.1
INCO	2,830	3,640	2,000	Sell	(29.3)	5.6	28.1	17.9x	1.0x	5.6	N/A	38.1	N/A	1.7
ANTM	525	840	600	Hold	14.3	(26.6)	12.6	65.1x	0.7x	1.1	2.4	29.4	(88.1)	1.6
Agriculture						(29.8)	61.6							
AALI	7,225	14,575	10,000	Buy	38.4	(31.2)	13.9	25.5x	0.7x	2.9	3.1	13.3	891.7	1.4

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

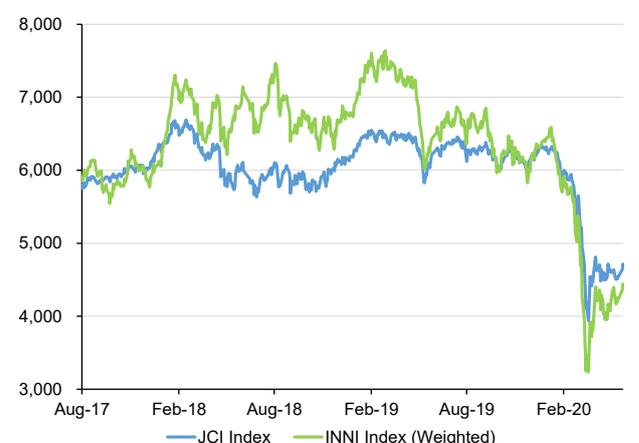
INNI Index Movement

YTD Change	-28.6%
YTD Change Gap (vs JCI)	-3.7%
Weekly Change	5.8%
Weekly Change Gap (vs JCI)	1.2%

INNI Market Capitalization

Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	GE	15.00	IFO Business Climate	May	79.5	78.5	74.3
25 - <i>May</i>	GE	15.00	IFO Expectations	May	80.1	75	69.4
Tuesday	US	21.00	New Home Sales	Apr	623k	480k	627k
26 - <i>May</i>	US	21.00	Conf. Board Consumer Confidence	May	86.6	87	86.9
Wednesday	US	18.00	MBA Mortgage Applications	May	2.7%	-	-2.6%
27 - <i>May</i>							
Thursday	GE	19.00	CPI MoM	May	-0.1%	-0.1%	0.4%
28 - <i>May</i>	GE	19.30	CPI YoY	May	0.6%	0.6%	0.9%
	US	19.30	GDP Annualized QoQ	1Q20	-5.0%	-4.8%	-4.8%
	US	19.30	Durable Goods Orders	Apr	-17.2%	-19.8%	-14.7%
	US	19.30	Initial Jobless Claims	May	2123k	2100k	2438k
Friday	EC	15.00	M3 Money Supply YoY	Apr		8.2%	7.5%
29 - <i>May</i>	US	19.30	Wholesale Inventories MoM	Apr		-0.5%	-0.8%
	US	19.30	Personal Income	Apr		-6.5%	-2.0%
	US	19.30	Personal Spending	Apr		-12.8%	-7.5%
	US	20.45	MNI Chicago PMI	May		40	35.4
	US	21.00	U. of Mich. Sentiment	May		74	73.7

Source: Bloomberg

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