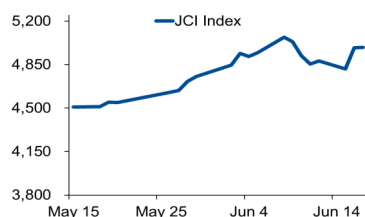


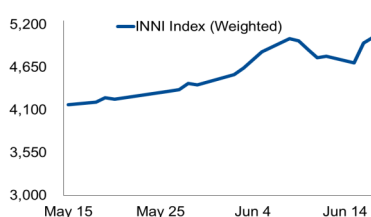
Morning Brief

Daily | June 18, 2020

JCI Movement



INNI Movement



Market Recap

The JCI closed slightly up with biggest movers from Agriculture and Property sectors. **JCI's Top Gainers: Agri. (+1.7%), Property (+0.7%), Infrastructure (+0.7%)**

INNI also closed higher led by the retail store MAPI. Retailer stocks have been boosted with the reopening of shopping centres in Jakarta after months of shutdown.

Daily Foreign & Domestic Sector Movement

At market close (17/06/2020) the JCI had a foreign net sell of IDR757 billion. Investors sold banking stocks such as BMRI and BBRI with amount of IDR153 billion and IDR114 billion respectively. On the opposite, GLVA booked a foreign net buy of IDR16 billion. The company posted revenues of IDR610.49 billion in Q1/20 or up 53.57% from Q1/19 of IDR397.25 billion.

USD/IDR Highlight

The USD/IDR rate was slightly up by 0.05% to IDR 14,082/USD.

Today's Outlook: Benchmark Rate Cut Predicted

The Dow Jones fell after reports on new Covid-19 cases in several US states and China hamper market optimism. From domestic news, the JCI movement will be driven by the results of Bank Indonesia's Board of Governors meeting. Economists predict that the central bank will cut its benchmark rate by 25 bps.

Company News

- BBCA : Stops Bonds Issuance
- TINS : Capex Revised Down to IDR1.5 Trillion
- KINO : Liquidates Joint Ventures

Domestic & Global News

- Issuance of Global Sukuk USD2.5 Billion for Handling COVID-19
- Central Bank of Brazil Cuts 2.25% Interest Rate

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)	130.50	127.88	Current Acc (USD bn)	(3.92)	(8.08)
Trd Balance (USD bn)	2.09	(0.34)	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	-28.95%	-7.02%	FDI (USD bn)	4.51	4.60
Imports Yoy	-42.20%	-18.58%	Business Confidence	104.82	105.33
Inflation Yoy	2.19%	2.67%	Cons. Confidence*	77.80	84.80

JCI Index

June 17	4,987.77
Chg.	+1.31pts (+0.03%)
Volume (bn shares)	90.00
Value (IDR tn)	8.55
Adv 193 Dec 212 Unc 297 Untr 122	

INNI Index

Last	5,034.33
Chg.	+74.66pts (+1.51%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
MAPI	+4.6%	SMGR	-1.0%
UNTR	+4.4%	BBRI	-1.0%
ANTM	+4.1%	TINS	-0.8%
AALI	+1.8%	GGRM	-0.7%
INCO	+1.3%	BBCA	-0.7%

Foreign Transaction

	(IDR bn)
Buy	2,454
Sell	3,212
Net Buy (Sell)	757

Top Buy	NB Val.	Top Sell	NS Val.
INDF	49.3	BMRI	153.7
GLVA	16.5	BBRI	114.5
ANTM	16.3	BBNI	88.1
ICBP	14.8	TLKM	72.0
EXCL	9.8	MNCN	59.7

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.16%	-0.00%
USDIDR	14,082	-0.05%
KRWIDR	11.60	-0.04%

Global Indices

Index	Last	Chg.	%
Dow Jones	26,119.61	(170.37)	-0.65%
S&P 500	3,113.49	(11.25)	-0.36%
FTSE 100	6,253.25	10.46	0.17%
DAX	12,382.14	66.48	0.54%
Nikkei	22,455.76	(126.45)	-0.56%
Hang Seng	24,481.41	137.32	0.56%
Shanghai	2,935.87	4.12	0.14%
KOSPI	2,141.05	3.00	0.14%
EIDO	18.75	(0.14)	-0.74%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,727.0	0.4	0.02%
Crude Oil (USD/B)	37.96	(0.42)	-1.09%
ICE NewCastle (USD/ton)	52.10	(0.75)	-1.42%
LME Nickel (USD/MT)	12,871	(153.0)	-1.17%
LME Tin (USD/MT)	16,990	70.0	0.41%
CPO (MYR/ton)	2,361	5.0	0.21%

BBCA : Stops Bonds Issuance

PT Bank Central Asia Tbk (BBCA) will stop issue new bonds in June 2020. The decision came after considering the strong company fundamental from capital and liquidity sides. Half of the Bonds were issued in 2018 with amount of IDR500 billion from the total planned amount of IDR1 trillion. (CNBC Indonesia)

TINS : Capex Revised Down to IDR1.5 Trillion

PT Timah Tbk (TINS) revised down its 2020 capex to IDR1.5 trillion from the initial number of IDR2.5 trillion. The company plans to be more efficient by allocating only on core business and stop raising new debts this year. TINS also must delay some projects such as new smelter in Senegal due to the pandemic. (Investor Daily)

KINO : Liquidates Joint Ventures

PT Kino Indonesia Tbk (KINO) liquidates two joint ventures which are Kino Malee Indonesia and Malee Kino Limited. The decision was made due to structural efficiency and changes in business model. KINO assured that the process will have no effect on the company's operations, legal, and financial conditions. (Kontan)

Domestic & Global News

Issuance of Global Sukuk USD2.5 Billion for Handling COVID-19

The government issued a Global Sukuk on the international market with a US dollar denomination of USD2.5 billion. This issuance is used as an effort by the government to cover the budget deficit. This year's budget deficit outlook widened to 6.34% of gross domestic product (GDP). The cost of handling the impact of COVID-19 reached IDR695.20 trillion. (Kontan)

Central Bank of Brazil Cuts 2.25% Interest Rate

Brazil's central bank cut its benchmark interest rate by 75 basic points on Wednesday to a low record of 2.25%, as expected, in a note to try to curb what might be the worst economic collapse in the country. (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						(17.8)	1,990.0							
BBCA	28,600	33,425	28,950	Hold	1.2	(3.1)	705.1	24.2x	4.1x	17.6	1.9	13.9	8.5	1.1
BBRI	3,100	4,400	3,100	Hold	-	(27.2)	382.4	11.0x	2.1x	18.6	5.4	13.0	(0.3)	1.3
Consumer						(24.5)	1,059.0							
GGRM	48,550	53,000	59,550	Buy	22.7	(37.2)	93.4	8.5x	1.8x	21.8	5.4	4.1	3.9	0.9
KINO	3,450	3,430	2,950	Hold	(14.5)	22.8	4.9	18.2x	1.8x	10.5	3.1	11.1	(81.3)	0.9
ICBP	8,950	11,150	<i>Under Review</i>	N/A	N/A	(11.6)	104.4	18.4x	3.8x	22.6	1.5	6.7	47.8	0.8
KLBF	1,430	1,620	1,430	Hold	-	(2.7)	67.0	26.0x	4.1x	16.3	1.4	8.0	12.5	1.1
Infrastructure						(22.3)	637.99							
TLKM	3,210	3,970	3,800	Buy	18.4	(19.3)	318.0	17.0x	3.2x	18.8	5.1	3.7	3.5	1.0
JSMR	4,150	5,175	4,600	Hold	10.8	(27.2)	30.1	13.6x	1.6x	12.4	1.1	(28.7)	0.2	1.3
Trade						(23.8)	550.9							
UNTR	17,700	21,525	19,000	Hold	7.3	(34.9)	66.0	6.5x	1.0x	16.9	2.3	(19.0)	(40.2)	0.9
MAPI	800	1,055	820	Hold	2.5	(10.1)	13.3	14.3x	2.1x	16.1	1.3	14.0	27.3	1.2
Property						(29.6)	313.3							
CTRA	715	1,040	810	Hold	13.3	(34.7)	13.3	12.5x	0.9x	7.2	1.4	(8.3)	(33.3)	1.5
WSKT	770	1,485	960	Buy	24.7	(60.0)	10.5	11.1x	0.6x	5.2	0.4	(35.7)	(76.3)	1.8
WIKA	1,330	1,990	1,380	Hold	3.8	(43.2)	11.9	5.7x	0.8x	14.3	3.8	(35.4)	(65.3)	1.7
Basic Ind.						0.7	591.3							
SMGR	9,625	12,000	10,925	Hold	13.5	(15.9)	57.1	22.2x	1.7x	8.0	2.2	5.6	66.7	1.3
Misc Ind.						(30.9)	271.9							
ASII	4,970	6,925	5,800	Buy	16.7	(33.7)	201.2	9.4x	1.3x	14.4	4.2	(9.4)	(7.8)	1.3
Mining						(18.5)	301.4							
TINS	645	825	830	Buy	28.7	(41.9)	4.8	N/A	0.9x	(10.7)	3.9	75.2	N/A	1.5
PTBA	2,470	2,660	2,775	Hold	12.3	(14.2)	28.5	7.1x	1.4x	20.6	13.8	(4.0)	(25.0)	1.2
INCO	3,040	3,640	3,500	Buy	15.1	10.5	30.2	20.1x	1.1x	5.6	N/A	38.1	N/A	1.6
ANTM	635	840	600	Hold	(5.5)	(18.1)	15.3	78.8x	0.8x	1.1	2.0	29.4	(88.1)	1.6
Agriculture						(24.9)	66.1							
AALI	8,650	14,575	10,000	Buy	15.6	(15.2)	16.6	30.6x	0.9x	2.9	N/A	13.3	891.7	1.4

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

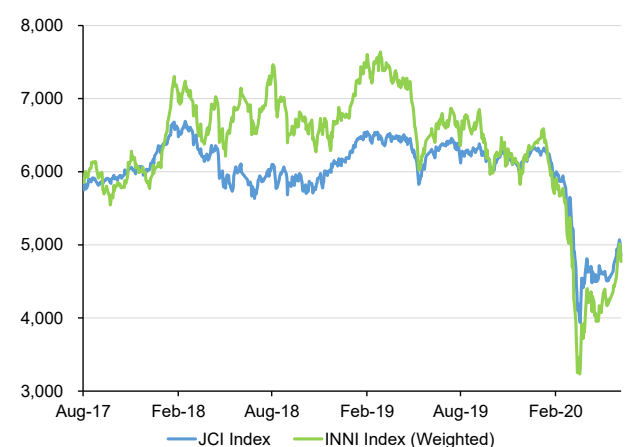
INNI Index Movement

YTD Change	-19.1%
YTD Change Gap (vs JCI)	1.5%
Weekly Change	3.2%
Weekly Change Gap (vs JCI)	1.8%

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 15 - June	CH	09.00	Industrial Production YoY	May	4.4%	5.0%	3.9%
Tuesday 16 - June	UK	13.00	Jobless Claims Change	May	528.9k	-	856.5k
	UK	13.00	ILO Unemployment Rate 3Mths	Apr	3.9%	4.7%	3.9%
	GE	13.00	CPI MoM	May	-0.1%	-0.1%	-0.1%
	GE	13.00	CPI YoY	May	0.6%	0.6%	0.6%
	GE	16.00	ZEW Survey Expectations	Jun	63.4	60	51
	GE	16.00	ZEW Survey Current Situation	Jun	-83.1	-82	-93.5
	US	19.30	Retail Sales Advance MoM	May	17.7%	8.0%	-16.4%
	US	20.15	Industrial Production MoM	May	1.4%	3.0%	-11.2%
Wednesday 17 - June	UK	13.00	CPI MoM	May	0.0%	0.0%	-0.2%
	UK	13.00	CPI YoY	May	0.5%	0.5%	0.8%
	UK	13.00	CPI Core YoY	May	1.2%	1.3%	1.4%
	UK	13.00	PPI Output NSA MoM	May	-0.3%	-0.1%	-0.7%
	UK	13.00	PPI Output NSA YoY	May	-1.4%	-1.0%	-0.7%
	EC	16.00	CPI YoY	May	0.1%	0.1%	0.3%
	US	18.00	MBA Mortgage Applications	June	8.0%	-	9.3%
	US	19.30	Housing Starts	May	974k	1100k	891k
Thursday 18 - June	UK	18.00	Bank of England Bank Rate	June		0.1%	0.1%
	US	19.30	Initial Jobless Claims	June		1290k	1542k
	US	21.00	Leading Index	May		2.4%	-4.4%

Source: Bloomberg

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st
Fl. Unit A, SCBD Lot.28
Jl. Jendral Sudirman Kav. 52-53
Jakarta Selatan 12190
Telp : +62 21 50889100
Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

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