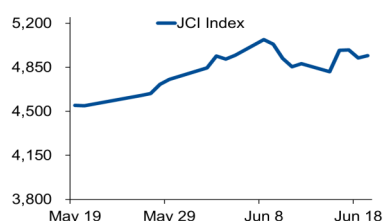
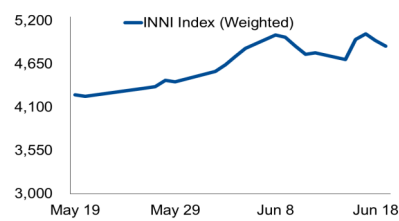


Morning Brief

JCI Movement



INNI Movement



Market Recap

The JCI ended last week with a small gain, backed by Basic industry and Miscellaneous Industry sectors. **JCI's Top Gainers: Basic Ind. (+1.6%), Misc. Ind. (+1.2%), Consumer (+0.6%)**

Unlike the JCI, INNI Index closed lower with pressures from PTBA and TINS.

Daily Foreign & Domestic Sector Movement

The JCI at market closed on Friday had a foreign net sell of IDR653 billion. Investors continued to sell TLKM and BBCA with amounts of IDR184 billion and IDR133 billion respectively. TLKM will pay out dividends on 23 July 2020 at the latest with a payout ratio of 81.78% from net profit, or slightly lower than 2018 ration of 90%.

USD/IDR Highlight

USD/IDR spot fell 0.41% to IDR 14,135/USD

Today's Outlook: External Factors Overshadow Market

The Dow Jones closed weaker at the end of last week as investors weighed in between the threats of second wave and economic reopening. This sentiment from the US along with other external factors such as rising tension in Korea will drive the JCI movement this week. Foreign investors booked net sell of IDR2.8 trillion last week.

Company News

- INCO : Definitive Agreement Done
- TLKM : Expands VoLTE Network
- KINO : CEO's Stock Purchase After Liquidation

Domestic & Global News

- BI Rate Decreases 1.5 Percent, Bank Loan Interest Only Fell by Half
- Limited Trade, US Current Account Deficit Drops

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	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 19	4,942.27
Chg.	+17.02pts (+0.35%)
Volume (bn shares)	67.53
Value (IDR tn)	7.24
Adv 164 Dec 247 Unc 291 Untr 135	

INNI Index

Last	4,875.60
Chg.	-69.69pts (-1.41%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
KLBF	+3.5%	PTBA	-6.9%
GGRM	+3.0%	TINS	-4.0%
ICBP	+2.0%	WIKA	-3.4%
SMGR	+1.9%	KINO	-2.3%
ASII	+1.9%	CTRA	-2.1%

Foreign Transaction

	(IDR bn)
Buy	2,954
Sell	3,608
Net Buy (Sell)	653

Top Buy	NB Val.	Top Sell	NS Val.
PTBA	209.7	TLKM	183.9
GGRM	14.3	BBCA	133.5
UNTR	10.9	ITMG	88.0
CPIN	6.2	ASII	65.4
BTPS	5.1	PGAS	40.5

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.18%	0.01%
USDIDR	14,100	0.16%
KRWIDR	11.68	0.30%

Global Indices

Index	Last	Chg.	%
Dow Jones	25,871.46	(208.64)	-0.80%
S&P 500	3,097.74	(17.60)	-0.56%
FTSE 100	6,292.60	68.53	1.10%
DAX	12,330.76	49.23	0.40%
Nikkei	22,478.79	123.33	0.55%
Hang Seng	24,643.89	178.95	0.73%
Shanghai	2,967.63	28.32	0.96%
KOSPI	2,141.32	7.84	0.37%
EIDO	18.54	(0.08)	-0.43%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,743.9	20.9	1.22%
Crude Oil (USD/B)	39.75	0.91	2.34%
ICE NewCastle (USD/ton)	53.35	0.85	1.62%
LME Nickel (USD/MT)	12,769	(125.0)	-0.97%
LME Tin (USD/MT)	16,885	0.0	0.00%
CPO (MYR/ton)	2,472	105.0	4.44%

INCO : Definitive Agreement Done

PT Vale Indonesia Tbk (INCO) has signed the divestment agreement on 19 June 2020 after being delayed three times. The definitive agreement outlines the details from the sale of 20% shares. Transaction process is set to be finalized at the end of the year when MIND ID will own 20% in INCO. (Kontan)

TLKM : Expands VoLTE Network

PT Telekomunikasi Indonesia Tbk (TLKM) through its subsidiary Telkomsel has expanded its VoLTE services to Sidoarjo and Bogor. Telkomsel will enter cooperation with Xiamo as equipment supplier. With this technology, it is hoped that the company can strengthen the roadmap to provide 5G network services. (Investor Daily)

KINO : CEO's Stock Purchase After Liquidation

PT Kino Indonesia Tbk (KINO) has agreed to liquidate its subsidiaries and the CEO, Harry Sanusi, has purchased the company's shares. The transaction on 18 June 2020 amounted to 1.47 shares at closing price of IDR3,490. The company liquidated two subsidiaries: PT Kino Malee Indonesia (KMI) and Malee Kino (Thailand) Company Limited. (Bisnis Indonesia)

Domestic & Global News

BI Rate Decreases 1.5 Percent, Bank Loan Interest Only Fell by Half

Bank Indonesia (BI) recorded a decrease in bank lending rates around 69 basic points (bps) or 0.69 percent from July 2019 to May 2020. The reduction was only half of the BI rate reduction of 7 Days Reverse Repo Rate (7DRRR) which at 150 bps or 1.5 percent. (CNN)

Limited Trade, US Current Account Deficit Drops

US current account deficit has plummeted since almost two years close in the first quarter due to restrictions on the flow of goods and services due to the COVID-19 pandemic. The US Department of Commerce noted the current account deficit fell to USD104.2 billion (0.1% YoY). (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						(19.4)	1,971.6							
BBCA	27,875	33,425	28,950	Hold	3.9	(5.2)	687.3	23.6x	4.0x	17.6	2.0	13.9	8.5	1.1
BBRI	3,100	4,400	3,100	Hold	-	(28.9)	382.4	11.0x	2.1x	18.6	5.4	13.0	(0.3)	1.3
Consumer						(24.5)	1,048.4							
GGRM	49,000	53,000	59,550	Buy	21.5	(35.5)	94.3	8.6x	1.8x	21.8	5.3	4.1	3.9	0.9
KINO	3,400	3,430	2,950	Hold	(13.2)	18.9	4.9	17.9x	1.8x	10.5	3.2	11.1	(81.3)	0.9
ICBP	8,925	11,150	<i>Under Review</i>	N/A	N/A	(11.0)	104.1	18.3x	3.8x	22.6	1.5	6.7	47.8	0.8
KLBF	1,460	1,620	1,430	Hold	(2.1)	0.3	68.4	26.5x	4.2x	16.3	1.4	8.0	12.5	1.1
Infrastructure						(22.8)	645.56							
TLKM	3,280	3,970	3,800	Buy	15.9	(18.8)	324.9	17.4x	3.3x	18.8	5.0	3.7	3.5	1.0
JSMR	4,130	5,175	4,600	Hold	11.4	(29.4)	30.0	13.6x	1.5x	12.0	0.4	(45.3)	0.5	1.3
Trade						(24.1)	546.6							
UNTR	17,850	21,525	19,000	Hold	6.4	(35.0)	66.6	6.6x	1.1x	16.9	6.8	(19.0)	(40.2)	0.9
MAPI	775	1,055	820	Hold	5.8	(19.7)	12.9	13.8x	2.1x	16.1	1.3	14.0	27.3	1.2
Property						(32.0)	308.4							
CTRA	715	1,040	810	Hold	13.3	(39.4)	13.3	12.5x	0.9x	7.2	1.4	(8.3)	(33.3)	1.5
WSKT	745	1,485	960	Buy	28.9	(62.8)	10.1	10.8x	0.6x	5.2	0.5	(35.7)	(76.3)	1.8
WIKA	1,265	1,990	1,840	Buy	45.5	(45.9)	11.3	5.4x	0.8x	14.3	4.0	(35.4)	(65.3)	1.7
Basic Ind.						(5.6)	580.0							
SMGR	9,500	12,000	10,925	Hold	15.0	(16.5)	56.3	21.9x	1.7x	8.0	2.2	5.6	66.7	1.3
Misc Ind.						(31.2)	268.8							
ASII	4,890	6,925	5,800	Buy	18.6	(34.4)	198.0	9.3x	1.3x	14.4	4.3	(9.4)	(7.8)	1.3
Mining						(22.8)	295.1							
TINS	605	825	830	Buy	37.2	(46.9)	4.5	N/A	0.9x	(10.7)	4.1	75.2	N/A	1.5
PTBA	2,280	2,660	2,775	Buy	21.7	(21.4)	26.3	6.6x	1.3x	20.6	14.3	(4.0)	(25.0)	1.1
INCO	2,890	3,640	3,500	Buy	21.1	0.3	28.7	19.0x	1.0x	5.6	N/A	38.1	N/A	1.6
ANTM	610	840	600	Hold	(1.6)	(23.8)	14.7	75.7x	0.8x	1.1	0.5	29.4	(88.1)	1.6
Agriculture						(27.1)	65.5							
AALI	8,400	14,575	10,000	Buy	19.0	(18.8)	16.2	29.7x	0.9x	2.9	0.6	13.3	891.7	1.4

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

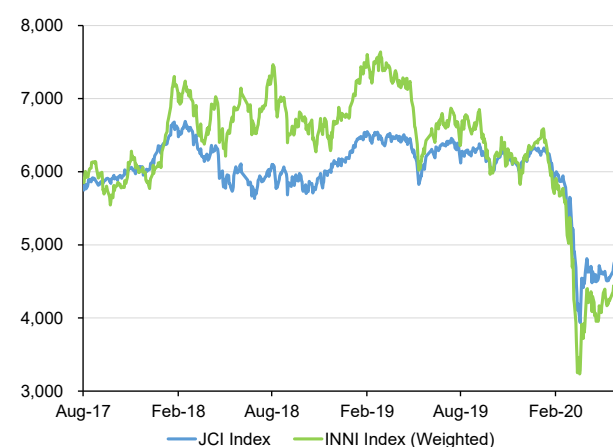
INNI Index Movement

YTD Change	-21.6%
YTD Change Gap (vs JCI)	-0.3%
Weekly Change	1.8%
Weekly Change Gap (vs JCI)	0.5%

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%	0.1%
	US	19.30	Initial Jobless Claims	June	1508K	1290k	1542k
	US	21.00	Leading Index	May	2.8%	2.4%	-4.4%

Source: Bloomberg

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