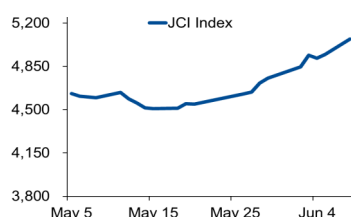
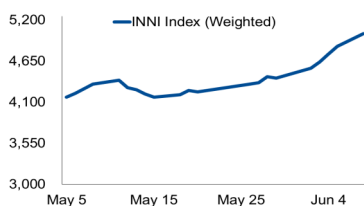


Morning Brief

JCI Movement



INNI Movement



Market Recap

The JCI closed significantly higher at the start of the week, with biggest contribution from banking sector. **JCI's Top Gainers: Finance (+4.4%), Agri. (+3.8%), Property (+2.9%)**

INNI Index rally momentum was supported by all stocks, except for INCO. The delay of acquisition process of INCO and Inalum has put a negative to the stock.

Daily Foreign & Domestic Sector Movement

The JCI booked a small foreign net sell of IDR44 billion in yesterday's trading. TLKM posted the biggest net sell with IDR251 billion, followed by BMRI with IDR106 billion. BMRI booked a net profit of IDR7.92 trillion in 1Q20 or up 9.72% from the same period last year.

USD/IDR Highlight

USD/IDR spot rate was slightly depreciated by 0.05% to IDR 13,885/USD.

Today's Outlook: Foreign Exchange Reserves Increase

Dow Jones continued its rally while S&P 500 has successfully erased all of its losses in 2020. From domestic news, the release of foreign exchange reserves at USD130.5 billion in May or up from USD127.9 billion in April, will still be the main catalyst for JCI's movement. However, the significant increase in the benchmark index has also raise the potential of profit taking action.

Company News

- BBCA : Rabobank Acquisition Value Increases
- KLBF : Coronavirus Vaccine Scheduled for Trial
- ICBP : Pursuing Loans for Pinehill Acquisition

Domestic & Global News

MSME Subsidies for Debtors with a Maximum Ceiling of IDR10 Billion
 COVID-19 Effect, German Industrial Output Records Decline in April 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)	130.50	127.88	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	2.19%	2.67%	Cons. Confidence*	84.80	113.80

JCI Index

June 08	5,070.56
Chg.	+122.77pts (+2.48%)
Volume (bn shares)	160.49
Value (IDR tn)	13.52
Adv 303 Dec 132 Unc 267 Untr 110	

INNI Index

Last	5,016.34
Chg.	+166.93pts (+3.44%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
SMGR	+7.7%	INCO	-1.0%
WSKT	+6.8%		
ANTM	+6.8%		
WIKA	+6.5%		
KINO	+6.4%		

Foreign Transaction

	(IDR bn)
Buy	3,859
Sell	3,903
Net Buy (Sell)	44

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	339.3	TLKM	251.3
BBRI	254.9	BMRI	106.7
PWON	81.4	MDKA	33.1
ASII	24.5	PTBA	30.8
SMGR	22.5	BBTN	25.8

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.27%	0.13%
USDIDR	13,885	0.05%
KRWIDR	11.53	0.35%

Global Indices

Index	Last	Chg.	%
Dow Jones	27,572.44	461.46	1.70%
S&P 500	3,232.39	38.46	1.20%
FTSE 100	6,472.59	(11.71)	-0.18%
DAX	12,819.59	(28.09)	-0.22%
Nikkei	23,178.10	314.37	1.37%
Hang Seng	24,776.77	6.36	0.03%
Shanghai	2,937.77	6.97	0.24%
KOSPI	2,184.29	2.42	0.11%
EIDO	20.35	0.84	4.31%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,698.5	13.5	0.80%
Crude Oil (USD/B)	38.19	(1.36)	-3.44%
ICE NewCastle (USD/ton)	56.05	(0.65)	-1.15%
LME Nickel (USD/MT)	13,064	73.0	0.56%
LME Tin (USD/MT)	16,665	115.0	0.69%
CPO (MYR/ton)	2,348	22.0	0.95%

BBCA : Rabobank Acquisition Value Increases

PT Bank Central Asia Tbk (BBCA) estimates that the tentative value of Rabobank acquisition is at IDR500 billion plus a premium of IDR287.3 billion which add up to IDR787.3 billion. BBCA plans to buy 99.9% of Rabobank shares in order to consolidate its business with BBCA subsidiary. (Kontan)

KLBF : Coronavirus Vaccine Scheduled for Trial

PT Kalbe Farma Tbk (KLBF) is scheduled to hold a first stage clinical trial for GX-19 vaccine in South Korea in June -July 2020. GX-19 is a vaccine developed by KLBF and other consortiums. For the next phase, KLBF will coordinate with the government, research, academist, and doctors to prepare a second trial in Indonesia. (Kontan)

ICBP : Pursuing Loans for Pinehill Acquisition

PT Indofood CBP Sukses Makmur Tbk (ICBP) will acquire Pinehill with a valuation of USD2.9 billion. Around USD2.6 billion of that amount will come from long term loans. ICBP has set a target to secure loans by 28 August 2020 after initial agreement of the deal is estimated to have a 5 year tenor. (Kontan)

Domestic & Global News

MSME Subsidies for Debtors with a Maximum Ceiling of IDR10 Billion

The Ministry of Finance (Kemenkeu) issues regulations on business interest subsidies or micro, small and medium enterprises (MSME) margin subsidies, which are included in the National Economic Program (PEN). The interest or margin subsidy is given a maximum of IDR10 billion for MSME debtors. (Kontan)

COVID-19 Effect, German Industrial Output Records Decline in April 2020

German Industrial Output plummeted in April 2020 the effects of COVID-19 made some of Europe's largest economic companies reduce their production stock. Meanwhile, Industrial Output was down 17.9%. (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						(14.0)	2,040.5							
BBCA	29,500	33,425	28,950	Hold	(1.9)	1.4	727.3	25.0x	4.2x	17.6	1.9	13.9	8.5	1.1
BBRI	3,300	4,400	3,100	Hold	(6.1)	(19.5)	407.0	11.8x	2.3x	18.6	5.1	13.0	(0.3)	1.3
Consumer						(24.4)	1,061.5							
GGRM	48,600	53,000	59,550	Buy	22.5	(39.6)	93.5	8.5x	1.8x	21.8	5.3	4.1	3.9	0.9
KINO	3,000	3,430	2,950	Hold	(1.7)	15.4	4.3	15.8x	1.6x	10.5	3.6	11.1	(81.3)	0.9
ICBP	8,775	11,150	<i>Under Review</i>	N/A	N/A	(10.5)	102.3	18.0x	3.7x	22.6	1.6	6.7	47.8	0.8
KLBF	1,425	1,620	1,430	Hold	0.4	1.4	66.8	25.9x	4.1x	16.3	1.4	8.0	12.5	1.1
Infrastructure						(21.1)	637.47							
TLKM	3,230	3,970	3,800	Buy	17.6	(16.0)	320.0	17.1x	3.2x	18.8	5.1	3.7	3.5	1.0
JSMR	4,130	5,175	4,600	Hold	11.4	(27.5)	30.0	13.6x	1.6x	12.4	1.1	(28.7)	0.2	1.3
Trade						(21.7)	563.0							
UNTR	17,550	21,525	19,000	Hold	8.3	(30.8)	65.5	6.5x	1.0x	16.9	2.3	(19.0)	(40.2)	0.9
MAPI	820	1,055	820	Hold	-	(6.8)	13.6	14.6x	2.2x	16.1	1.2	14.0	27.3	1.2
Property						(23.2)	324.9							
CTRA	770	1,040	810	Hold	5.2	(21.4)	14.3	13.5x	1.0x	7.2	1.3	(8.3)	(33.3)	1.5
WSKT	785	1,485	960	Buy	22.3	(56.6)	10.7	11.4x	0.6x	5.2	9.3	(35.7)	(76.3)	1.8
WIKA	1,390	1,990	1,380	Hold	(0.7)	(38.8)	12.5	5.5x	0.8x	14.6	2.8	(12.7)	32.0	1.7
Basic Ind.						0.3	605.9							
SMGR	10,150	12,000	10,925	Hold	7.6	(12.1)	60.2	23.4x	1.8x	8.0	2.0	5.6	66.7	1.3
Misc Ind.						(29.7)	275.8							
ASII	5,025	6,925	5,800	Buy	15.4	(32.6)	203.4	9.5x	1.3x	14.4	4.2	(9.4)	(7.8)	1.3
Mining						(21.2)	302.3							
TINS	615	825	830	Buy	35.0	(45.1)	4.6	N/A	0.9x	(10.7)	4.1	75.2	N/A	1.5
PTBA	2,300	2,660	2,775	Buy	20.7	(24.8)	26.5	6.7x	1.3x	20.6	14.8	(4.0)	(25.0)	1.2
INCO	3,000	3,640	2,000	Sell	(33.3)	11.1	29.8	20.2x	1.1x	5.6	N/A	38.1	N/A	1.6
ANTM	630	840	600	Hold	(4.8)	(13.1)	15.1	78.1x	0.8x	1.1	2.0	29.4	(88.1)	1.6
Agriculture						(25.3)	66.2							
AALI	8,375	14,575	10,000	Buy	19.4	(20.6)	16.1	29.6x	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	-19.4%
YTD Change Gap (vs JCI)	-0.1%
Weekly Change	13.4%
Weekly Change Gap (vs JCI)	6.8%

INNI Market Capitalization

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

INNI Index



Source: Bloomberg, NHKSI Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 08 - June	GE	13.00	Industrial Production SA MoM	Apr	-17.9%	-16.5%	-9.2%
Tuesday 09 - June	EC	16.00	GDP SA QoQ	1Q20		-3.8%	-3.8%
	EC	16.00	GDP SA YoY	1Q20		-3.2%	-3.2%
	US	21.00	Wholesale Inventories MoM	Apr		0.4%	0.4%
Wednesday 10 - June	CH	08.30	PPI YoY	May		-3.3%	-3.1%
	CH	08.30	CPI YoY	May		2.7%	3.3%
	US	18.00	MBA Mortgage Applications	June		--	-3.9%
	US	19.30	CPI MoM	May		0.0%	-0.8%
	US	19.30	CPI Ex Food and Energy MoM	May		0.0%	-0.4%
	US	19.30	CPI YoY	May		0.3%	0.3%
Thursday 11 - June	US	01.00	FOMC Rate Decision (Upper Bound)	June		0.25%	0.25%
	US	01.00	Monthly Budget Statement	May		-\$625.0b	-\$737.9b
	US	19.30	PPI Final Demand MoM	May		0.10%	-1.30%
	US	19.30	Initial Jobless Claims	June		1550k	1877k
Friday 12 - June	UK	13.00	Industrial Production MoM	Apr		-15.0%	-4.2%
	UK	13.00	Industrial Production YoY	Apr		-19.3%	-8.2%
	UK	13.00	Manufacturing Production MoM	Apr		-15.7%	-4.6%
	UK	13.00	Trade Balance GBP/Mn	Apr		-£5500m	-£6676m
	US	19.30	Import Price Index MoM	May		0.6%	-2.6%
	US	21.00	U. of Mich. Sentiment	June		75	72.3

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 08 - June	10:00	Foreign Reserves	May	\$130.50b	-	\$127.88b

Source: Bloomberg

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