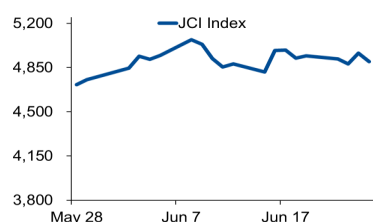
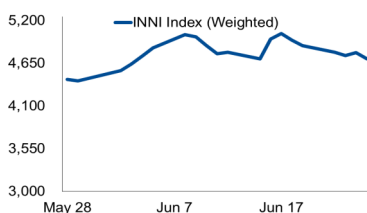


# Morning Brief

## JCI Movement



## INNI Movement



## Today's Outlook:

### IMF Global Economy Projection Sentiments

The Dow Jones index posted gains at the close (06/25/2020) after opening lower in early trade. This strengthening was led mainly by the trading sector. The rebound in oil price and the release of unemployment numbers that matched expectations have eased fears of the second wave of Corona for the time being.

For the domestic market, the JCI movements towards the end of the week will still be shrouded by sentiments from the IMF projection that the global economy growth will experience a contraction of up to -4.9%. At the market closing yesterday, foreign investor continued sales, reaching IDR225 billion.

## Company News

- BBCA : Cuts Deposit Interest Again
- KLBF : Beauty Business Line Hit by Corona
- INCO : Strategy after Divestment

## Domestic & Global News

- Indonesian Spice Export Rise by 19.28 percent
- U.S. Core Capital Goods Orders Rebound in May

## Sectors

	Last	Chg.	%
Mining	1,232.30	10.441	-0.84%
Agriculture	1,037.94	10.031	-0.96%
Infrastructure, Utilities and Transportation	901.25	10.224	-1.12%
Trade, Services, & Investment	603.39	7.313	-1.20%
Basic Industries & Chemicals	717.88	9.301	-1.28%
Finance	1,048.11	13.918	-1.31%
Miscellaneous Industry	883.42	13.594	-1.52%
Consumer Goods	1,791.02	31.274	-1.72%
Property, Real Estate & Construction	324.77	6.743	-2.03%

## 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 25	4,896.73
Chg.	-68.00pts (-1.37%)
Volume (bn shares)	71.43
Value (IDR tn)	6.15
<b>Adv 93 Dec 324 Unc 285 Untr 145</b>	

## INNI Index

Last	4,704.46
Chg.	-81.18pts (-1.70%)

## INNI's Top Gainers & Losers

Gainers	%	Losers	%
BBCA	+0.4%	CTRA	-3.9%
		WIKA	-3.6%
		PTBA	-2.8%
		WSKT	-2.7%
		TINS	-2.5%

## Foreign Transaction

	(IDR bn)
Buy	1,447
Sell	1,673
Net Buy (Sell)	225

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	107.1	BBNI	117.0
ASII	58.3	TLKM	62.0
BBRI	49.8	UNVR	41.8
SMGR	14.4	TOWR	30.9
JSMR	13.5	UNTR	27.0

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.19%	0.05%
USDIDR	14,175	0.32%
KRWIDR	11.76	0.00%

## Global Indices

Index	Last	Chg.	%
Dow Jones	25,745.60	299.66	1.18%
S&P 500	3,083.76	33.43	1.10%
FTSE 100	6,147.14	23.45	0.38%
DAX	12,177.87	83.93	0.69%
Nikkei	22,259.79	(274.53)	-1.22%
Hang Seng	24,781.58	(125.76)	-0.50%
Shanghai	2,979.55	8.93	0.30%
KOSPI	2,112.37	(49.14)	-2.27%
EIDO	18.61	0.02	0.11%

## Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,763.8	2.6	0.15%
Crude Oil (USD/B)	38.72	0.71	1.87%
ICE NewCastle (USD/ton)	52.10	(0.55)	-1.04%
LME Nickel (USD/MT)	12,440	(107.0)	-0.85%
LME Tin (USD/MT)	16,580	(75.0)	-0.45%
CPO (MYR/ton)	2,395	(41.0)	-1.68%

### **BBCA : Cuts Deposit Interest Again**

PT Bank Central Asia Tbk (BBCA) reduced its deposit interest again to 3.95% from 4% in May 2020. The policy is BBCA's reaction to adjust with the BI rate cut on June 17-18 yesterday. BBCA took this decision by considering the amount of Cost of Fund paid to depositors that will be smaller, and still attractive to investors. (Bisnis Indonesia)

### **INCO : Strategy after Divestment**

PT Vale Indonesia Tbk (INCO) has prepared a strategy for the company's sustainability after divesting its shares to Inalum. INCO plans to build High Pressure Acid Leaching Process (HPAL) in Pomalaa by utilizing Antam infrastructure as a form of business synergy. Meanwhile, INCO is still optimistic to reach the production target of 21,000 metric tons. (Kontan)

### **KLBF : Beauty Business Line Hit by Corona**

PT Kalbe Farma Tbk (KLBF) stated that the company's aesthetic line experienced disruptions due to the conditions of corona pandemic. KLBF will prepare to minimize that risk by focusing on the wellness segment of the beauty line that has multivitamin and antioxidant products. In the future, KLBF will start educating consumers on the importance of beauty products. (Kontan)

## Domestic & Global News

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### **Indonesian Spice Export Rise by 19.28 percent**

The Ministry of Trade's recorded that the Indonesian spice export during January to April 2020 reaches USD218.69 million. Compared to the same period last year, there is an increase of around 19.28 percent. In the January-April 2020 period, the most exported spices were piper peppers (whole) with a value of USD40.88 million or around 18.7 percent of the total export of spices. (Kompas)

### **U.S. Core Capital Goods Orders Rebound in May**

New orders for key U.S.-made capital goods rebounded more than expected in May, but recouped only a portion of the prior two months' declines, suggesting business investment could lag the broader economic recovery from the COVID-19 pandemic. Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, increased 2.3% last month as demand rose across the board, the Commerce Department said on Thursday. These so-called core capital goods orders dropped 6.5% in April. (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
<b>Finance</b>						(18.8)	1,984.9							
BBCA	28,625	33,425	28,950	Hold	1.1	(2.4)	705.7	24.3x	4.1x	17.6	1.9	13.9	8.5	1.1
BBRI	3,060	4,400	3,010	Hold	(1.6)	(29.8)	377.4	10.9x	2.1x	18.6	5.5	13.0	(0.3)	1.3
<b>Consumer</b>						(25.4)	1,027.6							
GGRM	46,900	53,000	59,550	Buy	27.0	(39.0)	90.2	8.2x	1.7x	21.8	5.5	4.1	3.9	0.9
KINO	3,350	3,430	2,950	Hold	(11.9)	18.4	4.8	17.6x	1.8x	10.5	3.2	11.1	(81.3)	0.9
ICBP	8,975	11,150	9,850	Hold	9.7	(10.7)	104.7	18.4x	3.8x	22.6	1.5	6.7	47.8	0.8
KLBF	1,455	1,620	1,630	Hold	12.0	(1.0)	68.2	26.4x	4.1x	16.3	1.4	8.0	12.5	1.1
<b>Infrastructure</b>						(24.6)	630.75							
TLKM	3,160	3,970	3,800	Buy	20.3	(20.6)	313.0	16.8x	3.1x	18.8	5.2	3.7	3.5	1.0
JSMR	4,410	5,175	4,600	Hold	4.3	(23.0)	32.0	14.5x	1.6x	12.0	0.3	(45.3)	0.5	1.3
<b>Trade</b>						(24.9)	543.5							
UNTR	16,475	21,525	19,000	Buy	15.3	(40.7)	61.5	6.1x	1.0x	16.9	7.4	(19.0)	(40.2)	0.9
MAPI	765	1,055	820	Hold	7.2	(15.0)	12.7	13.6x	2.1x	16.1	1.3	14.0	27.3	1.2
<b>Property</b>						(33.1)	299.2							
CTRA	620	1,040	810	Buy	30.6	(41.8)	11.5	10.8x	0.8x	7.2	1.6	(8.3)	(33.3)	1.5
WSKT	715	1,485	960	Buy	34.3	(63.2)	9.7	10.3x	0.5x	5.2	0.5	(35.7)	(76.3)	1.8
WIKA	1,215	1,990	1,840	Buy	51.4	(48.1)	10.9	5.2x	0.8x	14.3	4.2	(35.4)	(65.3)	1.7
<b>Basic Ind.</b>						(6.6)	572.1							
SMGR	9,450	12,000	10,925	Buy	15.6	(17.5)	56.1	21.8x	1.7x	8.0	2.2	5.6	66.7	1.3
<b>Misc Ind.</b>						(29.9)	268.3							
ASII	4,900	6,925	5,800	Buy	18.4	(32.4)	198.4	9.3x	1.3x	14.4	4.4	(9.4)	(7.8)	1.3
<b>Mining</b>						(28.4)	286.8							
TINS	595	825	830	Buy	39.5	(49.4)	4.4	N/A	0.8x	(10.7)	4.2	3.5	N/A	1.5
PTBA	2,060	2,660	2,900	Buy	40.8	(31.1)	23.7	6.0x	1.2x	20.6	15.8	(4.0)	(25.0)	1.1
INCO	2,800	3,640	3,500	Buy	25.0	(8.2)	27.8	18.5x	1.0x	5.6	N/A	38.1	N/A	1.6
ANTM	600	840	600	Hold	-	(27.3)	14.4	74.4x	0.8x	1.1	0.5	29.4	(88.1)	1.6
<b>Agriculture</b>						(28.1)	65.7							
AALI	8,450	14,575	10,000	Buy	18.3	(18.8)	16.3	29.9x	0.9x	2.9	0.6	13.3	891.7	1.4

\* Target Price for December 2020

Source: Bloomberg, NHKSI Research

## INNI Summary

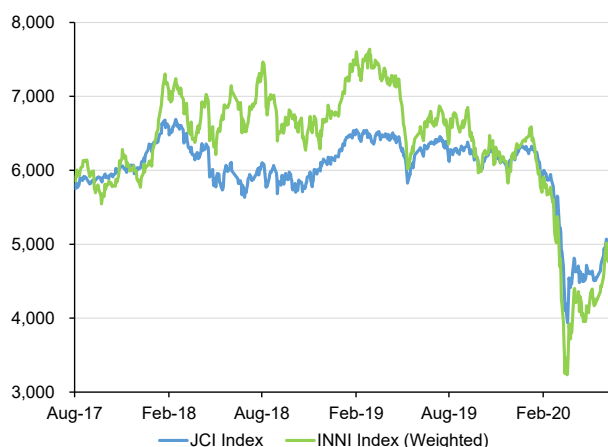
### INNI Index Movement

YTD Change	-24.4%
YTD Change Gap (vs JCI)	-2.3%
Weekly Change	-4.9%
Weekly Change Gap (vs JCI)	-4.3%

### 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
<b>Monday</b> 22 - June	US	21.00	Existing Home Sales	May	3.91m	4.09m	4.33m
<b>Tuesday</b> 23 - June	GE	14.30	Markit Germany Manufacturing PMI	Jun	44.6	42.5	36.6
	EC	15.00	Markit Eurozone Manufacturing PMI	Jun	46.9	45	39.4
	UK	15.30	Markit UK PMI Manufacturing SA	Jun	50.1	45	40.7
	US	20.45	Markit US Manufacturing PMI	Jun	49.6	50.8	39.8
	US	21.00	New Home Sales	May	676k	635k	623k
<b>Wednesday</b> 24 - June	GE	15.00	IFO Business Climate	Jun	86.2	85	79.5
	GE	15.00	IFO Expectations	Jun	91.4	87	80.1
	US	18.00	MBA Mortgage Applications	Jun	-8.7%	--	8.0%
<b>Thursday</b> 25 - June	US	19.30	Wholesale Inventories MoM	May	-1.2%	0.4%	0.3%
	US	19.30	Durable Goods Orders	May	15.8%	10.9%	-17.7%
	US	19.30	GDP Annualized QoQ	1Q20	-5.0%	-5.0%	-5.0%
	US	19.30	Initial Jobless Claims	Jun	1480k	1320k	1508k
<b>Friday</b> 26 - June	EC	15.00	M3 Money Supply YoY	May		8.6%	8.3%
	US	19.30	Personal Income	May		-6.0%	10.5%
	US	19.30	Personal Spending	May		8.8%	-13.6%
	US	21.00	U. of Mich. Sentiment	Jun		79	78.9

Source: Bloomberg

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