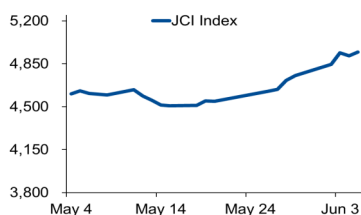
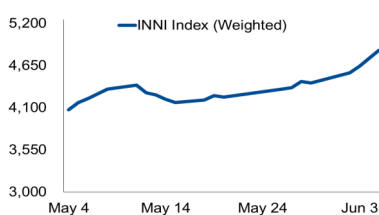


Morning Brief

JCI Movement



INNI Movement



Market Recap

The JCI rebounded at the end of last week with significant gain from Miscellaneous Industry sector. **JCI's Top Gainers: Misc. Ind. (+4.1%), Property (+1.6%), Trade (+1.1%)**

INNI Index closed higher with contribution from property sector CTRA where management reiterated optimism regarding its office building business.

Daily Foreign & Domestic Sector Movement

The JCI recorded a small foreign net sell of IDR50 billion on Friday. TLKM had the biggest net sell by foreigners with IDR239 billion while PGAS also recorded a net sell of IDR19 billion after S&P Global Ratings cut its rating to CreditWatch Negative to BB from previously BBB- due to the lower gas selling price which will put pressure on cash flow.

USD/IDR Highlight

USD/IDR spot price appreciated by 1.54% to IDR 13,877/USD.

Today's Outlook: OPEC+ Extend Production Cut

Dow Jones was up significantly at the end of last week as data revealed that 2.5 million new job were added in May as most states have begun easing their lockdowns. Meanwhile, the JCI this week will be guided by OPEC+ decision to extend record production cut and the release of several economy data such as Forex Reserves and Consumer Confidence Index.

Company News

- BBCA : Loan Restructuring by BCA Finance
- WIKA : Focus on Investment Projects
- UNTR : Target Revision Planned

Domestic & Global News

- Foreign Exchange Reserves Grows in May 2020
- China Exports in May 2020 Fall 3.3% YoY; Imports Shrink 16.7%

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	2.19%	2.67%	Cons. Confidence*	84.80	113.80

JCI Index

June 05	4,947.78
Chg.	+31.07pts (+0.63%)
Volume (bn shares)	102.95
Value (IDR tn)	9.76
Adv 258 Dec 138 Unc 306 Untr 138	

INNI Index

Last	4,849.41
Chg.	+104.88pts (+2.21%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
CTRA	+14.4%	TLKM	-2.1%
TINS	+8.4%	SMGR	-1.8%
KINO	+5.2%	BBCA	-1.1%
ASII	+5.0%		
WSKT	+4.3%		

Foreign Transaction

	(IDR bn)
Buy	2,729
Sell	2,780
Net Buy (Sell)	50

Top Buy	NB Val.	Top Sell	NS Val.
ASII	79.5	TLKM	239.4
PWON	43.2	PTBA	44.9
ICBP	33.6	BSDE	29.9
TOWR	19.1	UNVR	25.3
TINS	15.2	PGAS	19.7

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.14%	0.03%
USDIDR	13,877	-1.54%
KRWIDR	11.49	-0.69%

Global Indices

Index	Last	Chg.	%
Dow Jones	27,110.98	829.16	3.15%
S&P 500	3,193.93	81.58	2.62%
FTSE 100	6,484.30	142.86	2.25%
DAX	12,847.68	417.12	3.36%
Nikkei	22,863.73	167.99	0.74%
Hang Seng	24,770.41	404.11	1.66%
Shanghai	2,930.80	11.55	0.40%
KOSPI	2,181.87	30.69	1.43%
EIDO	19.51	0.49	2.58%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,685.1	(29.0)	-1.69%
Crude Oil (USD/B)	39.55	2.14	5.72%
ICE NewCastle (USD/ton)	56.20	0.80	1.44%
LME Nickel (USD/MT)	12,991	218.0	1.71%
LME Tin (USD/MT)	16,550	480.0	2.99%
CPO (MYR/ton)	2,348	22.0	0.95%

BBCA : Loan Restructuring by BCA Finance

A subsidiary of PT Bank Central Asia (BBCA), BCA Finance, is in the process of restructuring loans to 86,000 debtors with total amount of IDR8.5 billions. BCA Finance will give an extension of loan period by 12-24 months. (Kontan)

WIKA : Focus on Investment Projects

PT Wijaya Karya Tbk (WIKA) will focus on projects with high internal rate of return (IRR) this year. Energy and Industrial sector are still promising for investment with 50-60% portion, while the rest will be allocated to infrastructure and property. (Bisnis Indonesia)

UNTR : Target Revision Planned

PT United Tractors Tbk (UNTR) booked a sluggish performance in 1Q20 while global demand for coal is expected to be low until 3Q20. Moreover, mining and farming activities also expected to be weakening which put pressures on Komatsu sales. UNTR is planning to revise its operational target on June 11, 2020. (Kontan)

Domestic & Global News

Foreign Exchange Reserves Grows in May 2020

Indonesia's foreign exchange reserves (cadev) grew in May 2020. In line with the strengthening of the rupiah. The high foreign exchange reserves position in May 2020 was supported by the increasing flow of foreign capital into Indonesia. Net Inflow to SBN recorded more than IDR10 trillion in May 2020. (Kontan)

China Exports in May 2020 Fall 3.3% YoY; Imports Shrink 16.7%

China's exports dropped in May 2020 by 3.3% lower than the previous year, while China imports also shrink by 16.7%. So far China has recorded a trade surplus of USD62.93 billion in May 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						(17.7)	1,953.2							
BBCA	28,625	33,425	28,950	Hold	1.1	(1.6)	705.7	24.3x	4.1x	17.6	1.9	13.9	8.5	1.1
BBRI	3,110	4,400	3,100	Hold	(0.3)	(24.1)	383.6	11.1x	2.2x	18.6	5.4	13.0	(0.3)	1.3
Consumer						(25.7)	1,042.3							
GGRM	48,400	53,000	59,550	Buy	23.0	(39.9)	93.1	8.5x	1.7x	21.8	5.4	4.1	3.9	0.9
KINO	2,820	3,430	2,950	Hold	4.6	8.5	4.0	14.8x	1.5x	10.5	3.8	11.1	(81.3)	0.9
ICBP	8,625	11,150	<i>Under Review</i>	N/A	N/A	(12.0)	100.6	17.7x	3.7x	22.6	1.6	6.7	47.8	0.8
KLBF	1,410	1,620	1,430	Hold	1.4	0.4	66.1	25.6x	4.0x	16.3	1.4	8.0	12.5	1.1
Infrastructure						(21.4)	634.62							
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	3,890	5,175	4,600	Buy	18.3	(31.8)	28.2	12.8x	1.5x	12.4	1.2	(28.7)	0.2	1.3
Trade						(22.9)	553.9							
UNTR	17,100	21,525	19,000	Hold	11.1	(32.5)	63.8	6.3x	1.0x	16.9	2.4	(19.0)	(40.2)	0.9
MAPI	795	1,055	820	Hold	3.1	(9.7)	13.2	14.2x	2.1x	16.1	1.3	14.0	27.3	1.2
Property						(25.3)	315.7							
CTRA	755	1,040	810	Hold	7.3	(23.0)	14.0	13.2x	1.0x	7.2	1.3	(8.3)	(33.3)	1.5
WSKT	735	1,485	960	Buy	30.6	(59.4)	10.0	10.6x	0.6x	5.2	9.9	(35.7)	(76.3)	1.8
WIKA	1,305	1,990	1,380	Hold	5.7	(42.5)	11.7	5.1x	0.7x	14.6	3.0	(12.7)	32.0	1.7
Basic Ind.						(0.6)	600.4							
SMGR	9,425	12,000	10,925	Buy	15.9	(18.4)	55.9	21.8x	1.7x	8.0	2.2	5.6	66.7	1.3
Misc Ind.						(30.4)	273.2							
ASII	5,000	6,925	5,800	Buy	16.0	(32.9)	202.4	9.5x	1.3x	14.4	4.2	(9.4)	(7.8)	1.3
Mining						(22.5)	297.7							
TINS	580	825	830	Buy	43.1	(48.2)	4.3	N/A	0.8x	(10.7)	4.3	75.2	N/A	1.5
PTBA	2,210	2,660	2,775	Buy	25.6	(27.8)	25.5	6.4x	1.3x	20.6	15.4	(4.0)	(25.0)	1.1
INCO	3,030	3,640	2,000	Sell	(34.0)	12.2	30.1	19.8x	1.1x	5.6	N/A	38.1	N/A	1.6
ANTM	590	840	600	Hold	1.7	(18.6)	14.2	73.2x	0.8x	1.1	2.2	29.4	(88.1)	1.6
Agriculture						(28.1)	63.7							
AALI	7,850	14,575	10,000	Buy	27.4	(25.6)	15.1	27.7x	0.8x	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	-22.1%
YTD Change Gap (vs JCI)	-0.8%
Weekly Change	9.2%
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
Monday	CH	08.45	Caixin China PMI Mfg	May	50.7	49.6	49.4
01 - June	GE	14.55	Markit Germany Manufacturing PMI	May	36.6	36.8	36.8
	EC	15.00	Markit Eurozone Manufacturing PMI	May	39.4	39.5	39.5
	UK	15.30	Markit UK PMI Manufacturing SA	May	40.7	40.8	40.6
	US	20.45	Markit US Manufacturing PMI	May	39.8	40	39.8
	US	21.00	ISM Manufacturing	May	43.1	43.7	41.5
	Tuesday	UK	13.00	Nationwide House PX MoM	May	-1.7%	-1.0%
02 - June	UK	13.00	Nationwide House Px NSA YoY	May	1.8%	2.8%	3.7%
	UK	15.30	Mortgage Approvals	Apr	15.8k	24.0k	56.2k
Wednesday	GE	14.55	Unemployment Change (000's)	May	238.0k	190.0k	373.0k
03 - June	US	18.00	MBA Mortgage Applications	May	-3.9%	--	2.7%
	US	19.15	ADP Employment Change	May	-2760k	-9500k	-20236k
	US	21.00	Factory Orders	Apr	-13.0%	-14.2%	-10.3%
	US	21.00	Durable Goods Orders	Apr	-17.7%	-17.2%	-17.2%
Thursday	EC	18.45	ECB Main Refinancing Rate	Jun	0.0%	0.0%	0.0%
04 - June	EC	18.45	ECB Deposit Facility Rate	Jun	-0.5%	-0.5%	-0.5%
	US	19.30	Trade Balance	Apr	-\$49.4b	-\$49.1b	-\$44.4b
	US	19.30	Initial Jobless Claims	May	1877k	1800k	2123k
	Friday	GE	13.00	Factory Orders MoM	Apr	-25.8%	-18.9%
05 - June	US	19.30	Change in Nonfarm Payrolls	May	2509k	-8000k	-20537k
	US	19.30	Unemployment Rate	May	13.3%	19.6%	14.7%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	11:00	CPI NSA MoM	May	0.07%	0.10%	0.08%
02 - June	11.00	CPI YoY	May	2.19%	2.20%	2.67%

Source: Bloomberg

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