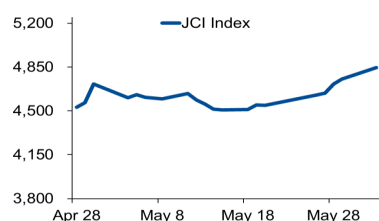
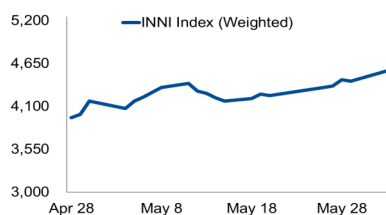


Morning Brief

JCI Movement



INNI Movement



Market Recap

The JCI started the week with significant gain, mainly due to the massive foreign net buy in banking sector. **JCI's Top Gainers: Finance (+3.4%), Mining (+2.6%), Infrastructure (+2.2%)**

INNI Index also closed higher with a major contribution from Coal Mining stock PTBA as China's coal consumption recovers after lockdown relaxation.

Daily Foreign & Domestic Sector Movement

On Tuesday (02/06/2020) closing, the JCI recorded a massive foreign net buy of IDR872 billion. BBRI took first rank foreign net buy with transaction amount of IDR659 billion. Other banks like BBCA and BNLN followed with IDR169 billion and IDR37 billion. This surge in banking stocks was due to additional stimulus from OJK.

USD/IDR Highlight

USD/IDR rate also appreciated by 1.33% to IDR14,415/ USD

Today's Outlook: Optimism Climbs amid Economic Data

Dow Jones up significantly as investors put more emphasis on economy reopening rather than civil unrests and protests that continue in several states. From domestic news, the massive foreign inflow is still the main catalyst after the release of inflation data and rising PMI Index to 28.6 in May 2020 compared to 27.5 the month before.

Company News

- UNTR : April 2020 Performance
- INCO : Continuation of the Smelter Project during Pandemic
- CTRA : Optimist with Office Building Prospect

Domestic & Global News

- Low Inflation in May
- China Halts Some U.S. Farm Imports

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 02	4,847.50
Chg.	+93.89pts (+1.98%)
Volume (bn shares)	95.13
Value (IDR tn)	11.98
Adv 244 Dec 154 Unc 303 Untr 134	

INNI Index

Last	4,555.18
Chg.	+132.69pts (+3.00%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
BBRI	+7.8%	GGRM	-2.6%
JSMR	+7.6%	KLBF	-2.1%
PTBA	+6.9%	ASII	-0.8%
WIKA	+5.5%	SMGR	-0.8%
INCO	+5.4%		

Foreign Transaction

	(IDR bn)		
Buy	5,361		
Sell	4,489		
Net Buy (Sell)	872		
Top Buy	NB Val.	Top Sell	NS Val.
BBRI	659.1	BBNI	137.5
BBCA	169.2	TKIM	98.6
TLKM	70.0	BMRI	46.0
BNLI	37.3	PTBA	45.8
UNVR	34.2	BSDE	37.1

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.15%	-0.20%
USDIDR	14,415	-1.33%
KRWIDR	11.76	-1.39%

Global Indices

Index	Last	Chg.	%
Dow Jones	25,742.65	267.63	1.05%
S&P 500	3,080.82	25.09	0.82%
FTSE 100	6,220.14	53.72	0.87%
DAX	12,021.28	434.43	3.75%
Nikkei	22,325.61	263.22	1.19%
Hang Seng	23,995.94	263.42	1.11%
Shanghai	2,921.40	5.97	0.21%
KOSPI	2,087.19	22.11	1.07%
EIDO	18.80	0.92	5.15%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,727.7	(11.9)	-0.68%
Crude Oil (USD/B)	36.81	1.37	3.87%
ICE NewCastle (USD/ton)	56.50	0.20	0.36%
LME Nickel (USD/MT)	12,853	227.0	1.80%
LME Tin (USD/MT)	16,009	319.0	2.03%
CPO (MYR/ton)	2,341	56.0	2.45%

UNTR : April 2020 Performance

PT United Tractors Tbk (UNTR) had a decreasing performance in April 2020 such as Komatsu sales which was down 61.6% YoY and Coal Production which also dropped by 8% YoY. This has forced UNTR to revised its Capex and Komatsu Sales target for 2020 to 2,900 units. However, UNTR still optimistic that coal sales can reach 9.8 million tonnes in 2020. (Kontan)

INCO : Continuation of the Smelter Project during Pandemic

PT Vale Indonesia Tbk (INCO) continues to build its smelter projects in Pomalaa and Bahadopi during pandemic. INCO has allocated USD5 billion to finish the projects with Final Investment Decision (FID) due in 1Q/2021. Currently, with strict health procedures in place, INCO assures that operation effectiveness remains solid. (Kontan)

CTRA : Optimist with Office Building Prospect

PT Ciputra Development Tbk (CTRA) is confident that new normal has little effects in Office Building business. CTRA viewed that Work From Home policy cannot be adopted in several industry so it will have minimal impact. CTRA currently owns DBS Bank Tower, Tokopedia Tower, and Tokopedia Care with occupancy rate of more than 75% and lease period of 3 years on average. (Kontan)

Domestic & Global News

Low Inflation in May

The Central Bureau of Statistics (BPS) recorded the May 2020 inflation of 0.07% MoM. Inflation was recorded lower than inflation at the time of Eid al-Fitr last year which fell in June 2020 which amounted to 0.55% MoM. Some factors that cause low inflation are the government's efforts to maintain food supply and distribution of goods. (Kontan)

China Halts Some U.S. Farm Imports

Chinese government officials are trying to stop buying some American agricultural goods by telling big government-run companies to stop imports, including soybeans, cotton, and corn imports. At a time when China was evaluating the growing tensions with the US in Hong Kong. (Bloomberg)

	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						(20.6)	1,885.2							
BBCA	26,800	33,425	28,950	Hold	8.0	(7.9)	660.8	22.7x	3.9x	17.6	2.1	13.9	8.5	1.1
BBRI	3,180	4,400	3,100	Hold	(2.5)	(22.4)	392.2	11.3x	2.2x	18.6	5.3	13.0	(0.3)	1.3
Consumer						(25.6)	1,044.5							
GGRM	47,500	53,000	59,550	Buy	25.4	(41.0)	91.4	8.3x	1.7x	21.8	5.5	4.1	3.9	0.9
KINO	2,660	3,430	2,950	Hold	10.9	2.3	3.8	14.0x	1.4x	10.5	4.1	11.1	(81.3)	0.9
ICBP	8,475	11,150	<i>Under Review</i>	N/A	N/A	(13.5)	98.8	17.4x	3.6x	22.6	1.6	6.7	47.8	0.8
KLBF	1,385	1,620	1,430	Hold	3.2	(1.4)	64.9	25.2x	3.9x	16.3	1.4	8.0	12.5	1.1
Infrastructure						(23.4)	618.35							
TLKM	3,250	3,970	3,940	Buy	21.2	(15.5)	322.0	17.3x	3.2x	18.8	5.0	3.7	3.5	1.0
JSMR	3,820	5,175	4,600	Buy	20.4	(33.0)	27.7	12.6x	1.5x	12.4	1.2	(28.7)	0.2	1.3
Trade						(23.4)	550.3							
UNTR	16,375	21,525	19,000	Buy	16.0	(35.4)	61.1	6.1x	1.0x	16.9	2.5	(19.0)	(40.2)	0.8
MAPI	725	1,055	820	Hold	13.1	(17.6)	12.0	12.9x	1.9x	16.1	1.4	14.0	27.3	1.2
Property						(28.9)	300.8							
CTRA	605	1,040	1,550	Buy	156.2	(38.3)	11.2	10.6x	0.8x	7.2	1.7	(8.3)	(33.3)	1.4
WSKT	630	1,485	960	Buy	52.4	(65.2)	8.6	9.1x	0.5x	5.2	11.6	(35.7)	(76.3)	1.7
WIKA	1,145	1,990	1,380	Buy	20.5	(49.6)	10.3	4.5x	0.6x	14.6	3.4	(12.7)	32.0	1.7
Basic Ind.						(0.2)	602.5							
SMGR	9,725	12,000	10,925	Hold	12.3	(15.8)	57.7	22.5x	1.7x	8.0	2.1	5.6	66.7	1.4
Misc Ind.						(33.9)	259.4							
ASII	4,730	6,925	5,800	Buy	22.6	(36.5)	191.5	9.0x	1.2x	14.4	4.5	(9.4)	(7.8)	1.3
Mining						(23.0)	295.7							
TINS	458	825	830	Buy	81.2	(59.1)	3.4	N/A	0.6x	(10.7)	5.5	75.2	N/A	1.4
PTBA	2,080	2,660	2,775	Buy	33.4	(32.0)	24.0	6.0x	1.2x	20.6	16.3	(4.0)	(25.0)	1.1
INCO	2,930	3,640	2,000	Sell	(31.7)	8.5	29.1	19.1x	1.0x	5.6	N/A	38.1	N/A	1.6
ANTM	555	840	600	Hold	8.1	(23.4)	13.3	68.8x	0.7x	1.1	2.3	29.4	(88.1)	1.6
Agriculture						(30.9)	61.2							
AALI	7,350	14,575	10,000	Buy	36.1	(30.3)	14.1	26.0x	0.7x	2.9	N/A	13.3	891.7	1.4

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

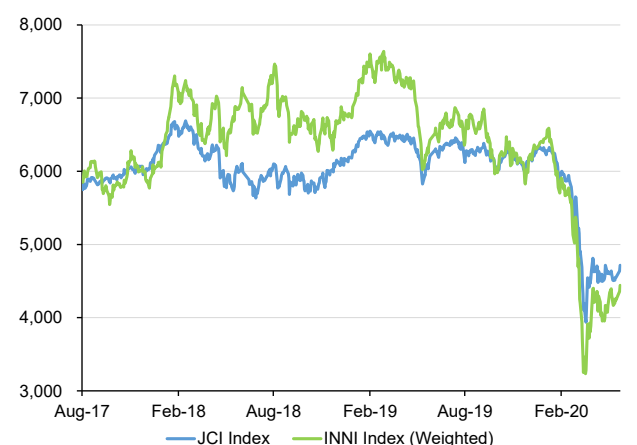
INNI Index Movement

YTD Change	-26.8%
YTD Change Gap (vs JCI)	-3.9%
Weekly Change	7.5%
Weekly Change Gap (vs JCI)	0.8%

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	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		190.0k	373.0k
03 - June	US	18.00	MBA Mortgage Applications	May		--	2.7%
	US	19.15	ADP Employment Change	May		-9500k	-20236k
	US	21.00	Factory Orders	Apr		-14.2%	-10.3%
	US	21.00	Durable Goods Orders	Apr		-17.2%	-17.2%
Thursday	EC	18.45	ECB Main Refinancing Rate	Jun		0.0%	0.0%
04 - June	EC	18.45	ECB Deposit Facility Rate	Jun		-0.5%	-0.5%
	US	19.30	Trade Balance	Apr		-\$49.1b	-\$44.4b
	US	19.30	Initial Jobless Claims	May		1800k	2123k
	Friday	GE	13.00	Factory Orders MoM	Apr		-18.9%
05 - June	US	19.30	Change in Nonfarm Payrolls	May		-8000k	-20537k
	US	19.30	Unemployment Rate	May		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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