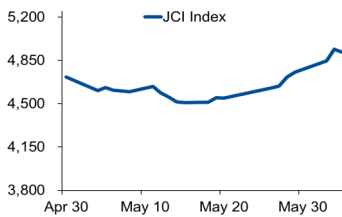
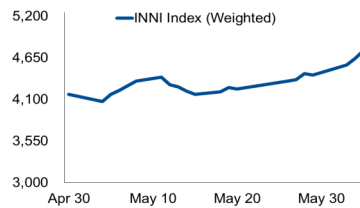


Morning Brief

JCI Movement



INNI Movement



Market Recap

The JCI went down after rising for 6 straight days, with biggest drops from Miscellaneous Industry and Mining sectors. **JCI's Top Losers: Misc. Ind. (-1.5%), Mining (-1.0%), Consumer (-0.8%)**

Construction stocks kept INNI Index in the green. This sector has been massively impacted by Covid-19 pandemic as projects are delayed, which caused revenues for Construction firms expected to be reduced by 25%-50% in 1Q20.

Daily Foreign & Domestic Sector Movement

At the end of trading, the JCI booked a foreign net buy of IDR980 billion. BBCA still dominates foreign transaction with a net buy of IDR645 billion. Furthermore, foreigners also sought out property stocks such as PWON with transaction amount of IDR57 billion as new normal and mall reopenings are scheduled with strict health protocols.

USD/IDR Highlight

Meanwhile, USD/IDR spot rate closed flat at IDR 14.095/USD.

Today's Outlook: Profit Taking Looms as Transition Period Begins

The Dow Jones had small gains while S&P 500 closed lower as the numbers of employee seeking government benefits came out above expectation. Meanwhile, IHSG movement will be shadowed by further profit taking as investors observe the beginning of transition period in Jakarta today.

Company News

- BBRI : Remittance Transaction Grows
- GGRM : Capital Injection to Surya Dhoho Investama
- JSMR : New Toll Rate in June
- UNTR : Business Performance Down

Domestic & Global News

- Revised State Budget 2020 Cut Energy Subsidies to IDR5.3 Trillion
- U.S. Jobless Claims Slow

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 04	4,916.70
Chg.	-24.30pts (-0.49%)
Volume (bn shares)	134.51
Value (IDR tn)	12.29
Adv 209 Dec 201 Unc 292 Untr 132	

INNI Index

Last	4,744.53
Chg.	+102.82pts (+2.22%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
TINS	+11.5%	ASII	-2.7%
MAPI	+6.3%	JSMR	-1.8%
WSKT	+6.0%	BBRI	-1.3%
WIKA	+5.9%	SMGR	-1.0%
PTBA	+3.3%	CTRA	-0.8%

Foreign Transaction

	(IDR bn)
Buy	4,676
Sell	3,695
Net Buy (Sell)	980

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	645.0	PTBA	45.3
TLKM	94.5	PGAS	27.0
BBNI	77.7	BBTN	24.0
BBRI	74.7	JSMR	20.1
PWON	57.6	BSDE	11.8

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.11%	0.11%
USDIDR	14,095	0.00%
KRWIDR	11.57	-0.09%

Global Indices

Index	Last	Chg.	%
Dow Jones	26,281.82	11.93	0.05%
S&P 500	3,112.35	(10.52)	-0.34%
FTSE 100	6,341.44	(40.97)	-0.64%
DAX	12,430.56	(56.80)	-0.45%
Nikkei	22,695.74	81.98	0.36%
Hang Seng	24,366.30	40.68	0.17%
Shanghai	2,919.25	(4.12)	-0.14%
KOSPI	2,151.18	4.18	0.19%
EIDO	19.02	(0.66)	-3.35%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,714.0	14.3	0.84%
Crude Oil (USD/B)	37.41	0.12	0.32%
ICE NewCastle (USD/ton)	55.40	(1.10)	-1.95%
LME Nickel (USD/MT)	12,773	(94.0)	-0.73%
LME Tin (USD/MT)	16,070	69.0	0.43%
CPO (MYR/ton)	2,326	(73.0)	-3.04%

BBRI : Remittance Transaction Grows

PT Bank Rakyat Indonesia Tbk (BBRI) recorded growth in remittance transaction by 102% YoY through May 2020. The company targets that transaction volume would grow by double digit in 2020. (Kontan)

GGRM : Capital Injection to Surya Dhoho Investama

PT Gudang Garam Tbk (GGRM) injects additional capital to its subsidiary, Surya Dhoho Investama which currently constructing the Dhoho Airport. GGRM as owner of 99% shares has agreed to raise paid up capital to IDR4 trillion. The fund will be used to finish the projects. (Kontan)

JSMR : New Toll Rate in June

PT Jasamarga Pandaan Malang as a subsidiary of PT Jasa Marga Tbk (JSMR) will introduce new tariffs on Pandaan Malang toll road in 7 June 2020. The toll route has been operating free of charge since 7 April 2020 due to large scale social limitation. (Bisnis Indonesia)

UNTR : Business Performance Down

PT United Tractors Tbk (UNTR) booked a lower Komatsu sales by 50% in the first 4 months while gold sales also down 38% YoY. However, UNTR was still able to book an increase in Coal Sales by 72% YoY as price fell. The recovery in China as major coal importer is expected to give boost to UNTR. (Bisnis Indonesia)

Domestic & Global News

Revised State Budget 2020 Cut Energy Subsidies to IDR5.3 Trillion

The government through the Ministry of Finance revised the increase in budget allocations for handling the COVID-19 pandemic and the National Economic Recovery (PEN) program. The government reduced the budget allocation for subsidies to IDR92.2 trillion from IDR97.4 trillion or down IDR5.3 trillion. (Kompas)

U.S. Jobless Claims Slow

Starting with the return of business operations in US, 2 million applications were submitted by the American community for unemployment benefits last week. Jobless claims for the regular program totaled 1.88 million as of May 30, 2020, down 2.13 million in the previous week. (Yahoo Finance)

	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						(18.4)	1,937.2							
BBCA	28,950	33,425	28,950	Hold	-	(0.5)	713.8	24.5x	4.2x	17.6	1.9	13.9	8.5	1.1
BBRI	3,060	4,400	3,100	Hold	1.3	(25.4)	377.4	10.9x	2.1x	18.6	5.5	13.0	(0.3)	1.3
Consumer						(25.5)	1,045.6							
GGRM	48,075	53,000	59,550	Buy	23.9	(40.3)	92.5	8.4x	1.7x	21.8	5.4	4.1	3.9	0.9
KINO	2,680	3,430	2,950	Hold	10.1	3.1	3.8	14.1x	1.4x	10.5	4.0	11.1	(81.3)	0.9
ICBP	8,500	11,150	<i>Under Review</i>	N/A	N/A	(13.3)	99.1	17.4x	3.6x	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						(21.8)	631.84							
TLKM	3,300	3,970	3,940	Buy	19.4	(14.2)	326.9	17.5x	3.3x	18.8	5.0	3.7	3.5	1.0
JSMR	3,870	5,175	4,600	Buy	18.9	(32.1)	28.1	12.7x	1.5x	12.4	1.2	(28.7)	0.2	1.3
Trade						(23.8)	547.9							
UNTR	17,000	21,525	19,000	Hold	11.8	(32.9)	63.4	6.3x	1.0x	16.9	2.4	(19.0)	(40.2)	0.8
MAPI	765	1,055	820	Hold	7.2	(13.1)	12.7	13.6x	2.1x	16.1	1.3	14.0	27.3	1.2
Property						(26.5)	310.6							
CTRA	660	1,040	780	Buy	18.2	(32.7)	12.2	11.5x	0.8x	7.2	1.5	(8.3)	(33.3)	1.4
WSKT	705	1,485	960	Buy	36.2	(61.0)	9.6	10.2x	0.5x	5.2	10.4	(35.7)	(76.3)	1.7
WIKA	1,260	1,990	1,380	Hold	9.5	(44.5)	11.3	4.9x	0.7x	14.6	3.1	(12.7)	32.0	1.7
Basic Ind.						0.0	604.2							
SMGR	9,600	12,000	10,925	Hold	13.8	(16.9)	56.9	22.2x	1.7x	8.0	2.2	5.6	66.7	1.4
Misc Ind.						(33.2)	262.3							
ASII	4,760	6,925	5,800	Buy	21.8	(36.1)	192.7	9.0x	1.2x	14.4	4.4	(9.4)	(7.8)	1.3
Mining						(23.1)	295.4							
TINS	535	825	830	Buy	55.1	(52.2)	4.0	N/A	0.8x	(10.7)	4.7	75.2	N/A	1.4
PTBA	2,180	2,660	2,775	Buy	27.3	(28.8)	25.1	6.3x	1.2x	20.6	15.6	(4.0)	(25.0)	1.1
INCO	2,940	3,640	2,000	Sell	(32.0)	8.9	29.2	19.5x	1.1x	5.6	N/A	38.1	N/A	1.6
ANTM	570	840	600	Hold	5.3	(21.4)	13.7	70.7x	0.8x	1.1	2.2	29.4	(88.1)	1.6
Agriculture						(28.2)	63.6							
AALI	7,875	14,575	10,000	Buy	27.0	(25.4)	15.2	27.8x	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	-23.7%
YTD Change Gap (vs JCI)	-2.0%
Weekly Change	8.8%
Weekly Change Gap (vs JCI)	2.9%

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		-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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