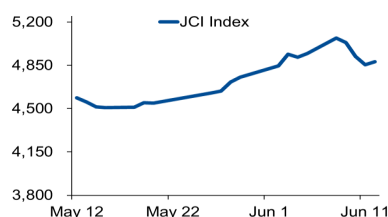


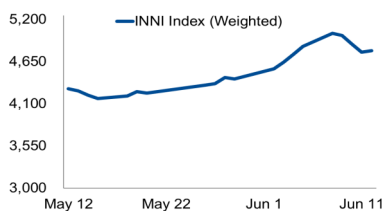
# Morning Brief

Daily | June 15, 2020

## JCI Movement



## INNI Movement



## Market Recap

At the end of last week, the JCI closed slightly up with biggest gains from Banking and Miscellaneous Industry. **JCI's Top Gainers: Finance (+1.6%), Misc. Ind. (+1.2%), Mining (-0.8%)**

JSMR was the top gainer for INNI Index at the end of the week. The company announced a total dividend payout of IDR110 billion after AGM on June 11th.

## Daily Foreign & Domestic Sector Movement

The JCI at close the of trade (12/06/2020) had a foreign net sell of IDR1.27 trillion. Banking and Telecommunication sectors recorded the biggest net sell with IDR521 billion and IDR490 billion respectively. However, OJK still views the banking industry to be safe as third party funding grew 9.78% yoy in May 2020, while loan growth was down by 4.16 yoy. Moreover, the ratio of liquid asset to non-core deposit is at 120.59% per May 2020 or above the 50% threshold.

## USD/IDR Highlight

Meanwhile, USD/IDR spot rate closed down 0.81% to IDR 14,133/USD.

## Today's Outlook: The Fed's Pessimistic Tone

The Dow Jones was able to closed higher at the end of last week while also regained some of its value after heavy losses on Thursday (11/06/2020) after market responded to the pessimistic tone from the Fed in regards to the US economy future after Covid-19 pandemic. From domestic view, the transition of PSBB in Jakarta will continue today with the reopenings of shopping centres around the capital. This is expected to be a positive catalyst that will be observed by investors.

## Company News

- BBCA : Third Party Funding Grows
- CTRA : Aims for Increase in Occupancy Rate
- TLKM : Network Modernization in Magelang

## Domestic & Global News

- Government Distributes IDR58.34 Trillion of Safety Net Budget
- The UK Economy Plummeted 20.4% 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*	77.80	84.80

## JCI Index

June 12	4,880.35
Chg.	+25.60pts (+0.53%)
Volume (bn shares)	102.57
Value (IDR tn)	10.28
<b>Adv 160 Dec 247 Unc 295 Untr 124</b>	

## INNI Index

Last	4,791.28
Chg.	+20.56pts (+0.43%)

## INNI's Top Gainers & Losers

Gainers	%	Losers	%
JSMR	+5.9%	MAPI	-3.8%
WSKT	+5.0%	KLBF	-2.8%
PTBA	+4.8%	AALI	-1.7%
CTRA	+4.6%	TLKM	-1.6%
WIKA	+2.4%	INCO	-1.4%

## Foreign Transaction

	(IDR bn)
Buy	1,829
Sell	3,036
Net Buy (Sell)	1,207

Top Buy	NB Val.	Top Sell	NS Val.
ICBP	25.9	TLKM	458.8
INDF	18.4	BBRI	190.9
BNLI	9.2	BBCA	166.5
HMSP	8.2	BBNI	134.8
ISAT	5.1	UNTR	27.9

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.23%	0.04%
USDIDR	14,133	0.81%
KRWIDR	11.74	0.26%

## Global Indices

Index	Last	Chg.	%
Dow Jones	25,605.54	477.37	1.90%
S&P 500	3,041.31	39.21	1.31%
FTSE 100	6,105.18	28.48	0.47%
DAX	11,949.28	(21.01)	-0.18%
Nikkei	22,305.48	(167.43)	-0.75%
Hang Seng	24,301.38	(178.77)	-0.73%
Shanghai	2,919.74	(1.16)	-0.04%
KOSPI	2,132.30	(44.48)	-2.04%
EIDO	18.48	0.63	3.53%

## Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,730.8	3.1	0.18%
Crude Oil (USD/B)	36.26	(0.08)	-0.22%
ICE NewCastle (USD/ton)	52.95	0.55	1.05%
LME Nickel (USD/MT)	12,665	9.0	0.07%
LME Tin (USD/MT)	17,120	202.0	1.19%
CPO (MYR/ton)	2,371	5.0	0.21%

### **BBCA : Third Party Funding Grows**

PT Bank Central Asia Tbk (BBCA) booked an increase in third party funding to IDR741 trillion or up 16.8% yoy in 1Q20. The catalyst for this growth is BBCA's innovation in digital banking services which stimulate more new accounts during pandemic. With the digital banking services, the number of new account openings reached 5,100 per day. (Bisnis Indonesia)

### **CTRA : Aims for Increase in Occupancy Rate**

PT Ciputra Development Tbk (CTRA) sets occupancy rate target after mall reopenings on 15 June 2020. CTRA aims for 25-50% occupancy from normal condition with gradual increases expected. Meanwhile, landed house sales also showed improvement in May 2020 and CTRA remains confident for a better condition in 2H20. (Kontan)

### **TLKM : Network Modernization in Magelang**

PT Telekomunikasi Indonesia Tbk (TLKM) modernized 100% of fibre optic network in Magelang under its Magelang Modern Broadband City initiative. The purpose of the program is to support local government with ICT. The Magelang government hope that this will be beneficial to education and tourism. (Investor Daily)

## Domestic & Global News

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### **Government Distributes IDR58.34 Trillion of Safety Net Budget**

The Ministry of Finance (Kemenkeu) has allocated a budget for handling coronavirus (COVID-19) in the amount of IDR677.2 trillion for several sectors. In particular, the budget for the recovery of the national economy (PEN) reached IDR589.65 trillion. Whereas in the field of social safety nets handling COVID-19 the government has disbursed funds amounting to IDR58.34 trillion. (Kontan)

### **The UK Economy Plummeted 20.4% in April 2020**

The UK economy dropped to a high record of 20.4% in April 2020, dropped due to the effect since March the State has conducted a lockdown related to handling the COVID-19 pandemic. Also recorded in the three months to April 2020, the UK Gross Domestic Product in the Contract was 10.4% from the previous three month period. (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>						(18.3)	1,962.4							
BBCA	28,350	33,425	28,950	Hold	2.1	(2.2)	699.0	24.0x	4.1x	17.6	2.0	13.9	8.5	1.1
BBRI	3,030	4,400	3,100	Hold	2.3	(28.4)	373.7	10.8x	2.1x	18.6	5.6	13.0	(0.3)	1.3
<b>Consumer</b>						(26.2)	1,036.3							
GGRM	47,200	53,000	59,550	Buy	26.2	(39.1)	90.8	8.3x	1.7x	21.8	5.5	4.1	3.9	0.9
KINO	3,130	3,430	2,950	Hold	(5.8)	14.2	4.5	16.5x	1.7x	10.5	3.5	11.1	(81.3)	0.9
ICBP	8,600	11,150	<i>Under Review</i>	N/A	N/A	(13.8)	100.3	17.6x	3.7x	22.6	1.6	6.7	47.8	0.8
KLBF	1,380	1,620	1,430	Hold	3.6	(7.7)	64.7	25.1x	3.9x	16.3	1.4	8.0	12.5	1.1
<b>Infrastructure</b>						(25.8)	608.93							
TLKM	3,030	3,970	3,800	Buy	25.4	(24.1)	300.2	16.1x	3.0x	18.8	5.4	3.7	3.5	1.0
JSMR	3,980	5,175	4,600	Buy	15.6	(30.2)	28.9	13.1x	1.5x	12.4	1.1	(28.7)	0.2	1.3
<b>Trade</b>						(25.4)	543.4							
UNTR	16,450	21,525	19,000	Buy	15.5	(38.8)	61.4	6.1x	1.0x	16.9	2.5	(19.0)	(40.2)	0.9
MAPI	750	1,055	820	Hold	9.3	(15.3)	12.5	13.4x	2.0x	16.1	1.3	14.0	27.3	1.2
<b>Property</b>						(29.8)	305.0							
CTRA	685	1,040	810	Buy	18.2	(34.8)	12.7	12.0x	0.9x	7.2	1.5	(8.3)	(33.3)	1.5
WSKT	730	1,485	960	Buy	31.5	(62.0)	9.9	10.6x	0.6x	5.2	10.0	(35.7)	(76.3)	1.8
WIKA	1,260	1,990	1,380	Hold	9.5	(46.6)	11.3	5.4x	0.8x	14.3	3.1	(35.4)	(65.3)	1.7
<b>Basic Ind.</b>						(3.6)	576.8							
SMGR	9,400	12,000	10,925	Buy	16.2	(17.9)	55.8	21.7x	1.7x	8.0	2.2	5.6	66.7	1.3
<b>Misc Ind.</b>						(32.6)	263.7							
ASII	4,790	6,925	5,800	Buy	21.1	(35.5)	193.9	9.1x	1.3x	14.4	4.4	(9.4)	(7.8)	1.3
<b>Mining</b>						(21.2)	296.1							
TINS	590	825	830	Buy	40.7	(49.6)	4.4	N/A	0.8x	(10.7)	4.2	75.2	N/A	1.5
PTBA	2,390	2,660	2,775	Buy	16.1	(15.5)	27.5	6.9x	1.4x	20.6	14.2	(4.0)	(25.0)	1.2
INCO	2,830	3,640	3,500	Buy	23.7	(1.4)	28.1	18.7x	1.0x	5.6	N/A	38.1	N/A	1.6
ANTM	580	840	600	Hold	3.4	(26.6)	13.9	71.9x	0.8x	1.1	2.2	29.4	(88.1)	1.6
<b>Agriculture</b>						(26.6)	64.2							
AALI	8,275	14,575	10,000	Buy	20.8	(19.5)	15.9	29.2x	0.8x	2.9	N/A	13.3	891.7	1.4

\* Target Price for December 2020

Source: Bloomberg, NHKSI Research

## INNI Summary

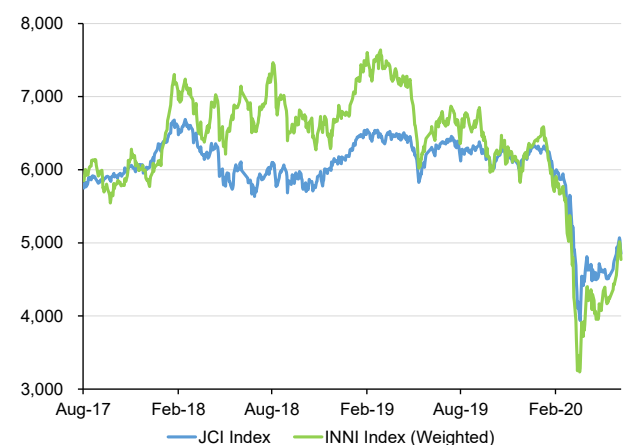
### INNI Index Movement

YTD Change	-23.0%
YTD Change Gap (vs JCI)	-0.7%
Weekly Change	-1.2%
Weekly Change Gap (vs JCI)	0.2%

### 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> 08 - June	GE	13.00	Industrial Production SA MoM	Apr	-17.9%	-16.5%	-9.2%
<b>Tuesday</b> 09 - June	EC	16.00	GDP SA QoQ	1Q20	-3.6%	-3.8%	-3.8%
	EC	16.00	GDP SA YoY	1Q20	-3.1%	-3.2%	-3.2%
	US	21.00	Wholesale Inventories MoM	Apr	0.3%	0.4%	0.4%
<b>Wednesday</b> 10 - June	CH	08.30	PPI YoY	May	-3.7%	-3.3%	-3.1%
	CH	08.30	CPI YoY	May	2.4%	2.7%	3.3%
	US	18.00	MBA Mortgage Applications	June	9.3%	--	-3.9%
	US	19.30	CPI MoM	May	-0.1%	0.0%	-0.8%
	US	19.30	CPI Ex Food and Energy MoM	May	-0.1%	0.0%	-0.4%
	US	19.30	CPI YoY	May	0.1%	0.3%	0.3%
<b>Thursday</b> 11 - June	US	01.00	FOMC Rate Decision (Upper Bound)	June	0.25%	0.25%	0.25%
	US	01.00	Monthly Budget Statement	May	\$504.0b	-\$625.0b	-\$737.9b
	US	19.30	PPI Final Demand MoM	May	0.1%	0.1%	-1.3%
	US	19.30	Initial Jobless Claims	June	1542k	1550k	1877k
<b>Friday</b> 12 - June	UK	13.00	Industrial Production MoM	Apr	-20.3%	-15.0%	-4.2%
	UK	13.00	Industrial Production YoY	Apr	-24.4%	-19.3%	-8.2%
	UK	13.00	Manufacturing Production MoM	Apr	-24.3%	-15.7%	-4.6%
	UK	13.00	Trade Balance GBP/Mn	Apr	£305m	-£5500m	-£6676m
	US	19.30	Import Price Index MoM	May	1.0%	0.6%	-2.6%
	US	21.00	U. of Mich. Sentiment	June	78.9	75	72.3

Source: Bloomberg

## Domestic Economic Calendar

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

Source: Bloomberg

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