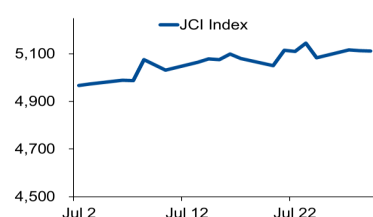


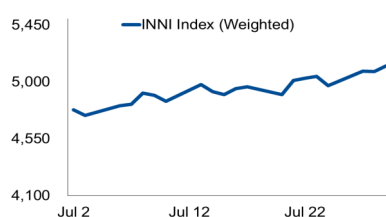
Morning Brief

Daily | July 30, 2020

JCI Movement



INNI Movement



Today's Outlook:

Full Support from Federal Reserve

The three major markets in the US managed to rebound in trade (07/29/2020) supported by the commitment of the Federal Reserve to continue to use all necessary steps in economic recovery. In addition, the FOMC meeting also decided to hold interest rates in the target range of 0% - 0.25%.

In the domestic market, the Fed's statement of support is also expected to help the JCI movement today. In addition, investors will also observe the continuation of the PSBB transition period in Jakarta amid the soaring number of Covid-19 positive cases.

Company News

- ASII : 1H20 Net Profit Increased by Divestment
- UNTR : Net Income Down by 28% in First Semester
- MDKA : Optimizes Assets to Increase Performance
- MTDL : Increased Capex During the Pandemic

Domestic & Global News

- 35% Import Substitution in 2022
- Hong Kong's Recession Eases Slightly

Sectors

	Last	Chg.	%
Miscellaneous Industry	913.17	12.33	-1.33%
Property, Real Estate, and Construction	299.68	3.93	-1.30%
Finance	1,119.54	7.54	-0.67%
Trade, Services, and Investment	623.25	0.74	-0.12%
Infrastructure, Utilities, and Transportation	897.97	1.13	0.13%
Basic Industries	751.63	1.12	0.15%
Mining	1,372.33	3.52	0.26%
Consumer Goods	1,871.58	28.50	1.55%
Agriculture	1,154.81	20.77	1.83%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.00%	4.25%	Real GDP	2.97%	4.97%
FX Reserve (USD bn)	131.70	130.50	Current Acc (USD bn)	(3.92)	(8.08)
Trd Balance (USD bn)	1.27	2.09	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	2.28%	-28.95%	FDI (USD bn)	4.51	4.60
Imports Yoy	-6.36%	-42.20%	Business Confidence	104.82	105.33
Inflation Yoy	1.96%	2.19%	Cons. Confidence*	83.80	77.80

JCI Index

July 29	5,111.13
Chg.	-1.87pts (-0.04%)
Volume (bn shares)	110.82
Value (IDR tn)	8.23
Adv 173 Dec 249 Unc 283 Untr 117	

INNI Index

Last	5,125.59
Chg.	+41.59pts (+0.82%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
TINS	+5.4%	ASII	-1.9%
GGRM	+4.7%	CTRA	-1.5%
AALI	+1.8%	INCO	-1.0%
ANTM	+1.4%	BBCA	-0.8%
ICBP	+0.8%	WSKT	-0.8%

Foreign Transaction

	(IDR bn)
Buy	1,542
Sell	1,976
Net Buy (Sell)	434

Top Buy	NB Val.	Top Sell	NS Val.
UNVR	52.5	TOWR	97.3
CPIN	18.2	BBNI	34.6
SMGR	11.3	KLBF	33.1
BOGA	8.5	ASII	31.8
GGRM	6.6	BMRI	31.7

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.83%	-0.01%
USDIDR	14,543	0.06%
KRWIDR	12.19	0.66%

Global Indices

Index	Last	Chg.	%
Dow Jones	26,539.57	160.29	0.61%
S&P 500	3,258.44	40.00	1.24%
FTSE 100	6,131.46	2.20	0.04%
DAX	12,822.26	(13.02)	-0.10%
Nikkei	22,397.11	(260.27)	-1.15%
Hang Seng	24,883.14	110.38	0.45%
Shanghai	3,294.55	66.59	2.06%
KOSPI	2,263.16	6.17	0.27%
EIDO	18.95	(0.03)	-0.16%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,970.8	12.4	0.63%
Crude Oil (USD/B)	41.27	0.23	0.56%
ICE NewCastle (USD/ton)	55.45	0.25	0.45%
LME Nickel (USD/MT)	13,876	216.0	1.58%
LME Tin (USD/MT)	17,930	(63.0)	-0.35%
CPO (MYR/ton)	2,645	42.0	1.61%

ASII : 1H20 Net Profit Increased by Divestment

PT Astra International Tbk (ASII) posted a 1H20 net profit of IDR11.4 trillion, up by around 16% YoY. It was due to the divestment of Bank Permata even though ASII's business segment actually declined due to the pandemic. To counter the decline in business segments, ASII focuses specifically on reducing operational costs and capital expenditure, working capital management, and ensuring liquidity. (Bisnis Indonesia)

MDKA : Optimizes Assets to Increase Performance

PT Merdeka Copper Gold Tbk (MDKA) plans to continue to optimize assets through its subsidiaries to drive the company's performance. These assets include the Seven Bukit Gold Mine, the Wetar Copper Mine and the Pani Gold Mine Project with J Resources Pacific. In the future, MDKA will still open up the possibility to manage other mines for a long term period. (Bisnis Indonesia)

UNTR : Net Income Down by 28% in First Semester

PT United Tractors Tbk (UNTR) recorded a net profit of IDR4.1 trillion in 1H20, down by about 28% YoY due to the pandemic which resulted in the decline of the coal business and construction machinery business segments. However, the gold segment still recorded a positive performance in 1H20, managing to record revenue of IDR4 trillion or up by 11% YoY with an ASP of USD1,498 / troy ounce. (Bisnis Indonesia)

MTDL : Increased Capex During the Pandemic

PT Metrodata Electronics Tbk (MTDL) increased 2020 capex to IDR450 billion from its previous IDR260 billion. When detailed, IDR440 billion is to fund the equipments and the rest is to upgrade the company's computer systems. MTDL believes the financial condition is in a strong position amid the Covid-19 pandemic and is optimistic that the end of PSBB will stabilize the business. (Investor Daily)

Domestic & Global News

35% Import Substitution in 2022

The Ministry of Industry (Kemenperin) targets to substitute imports by 35% in 2020. With the decline in imports, the Ministry of Industry said the existing industrial production could increase to IDR5,868 trillion. A decline in imports of up to 35% in 2022 assuming an average utility of all manufacturing industry sectors reached 85%. So in that year, imports will decrease to IDR1,245 trillion. (Kontan)

Hong Kong's Recession Eases Slightly

Hong Kong's economy shrank by 9.0% in the second quarter from a year earlier. The decline in gross domestic product (GDP) eased slightly from a revised 9.1% contraction in January-March, which was the worst quarterly drop since records began in 1974. Moody's Analytics had expected a contraction of 11.9%, Capital Economics 10.5%, Bank of East Asia 9% and ING 8%. But on a quarterly, seasonally adjusted basis, the economy shrank just 0.1%, compared with a revised 5.5% contraction in the previous three months, advance estimates showed. (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						(15.4)	2,127.9							
BBCA	30,675	33,425	28,950	Hold	(5.6)	(1.4)	756.3	27.1x	4.5x	17.0	1.8	6.6	(5.0)	1.1
BBRI	3,120	4,400	3,010	Hold	(3.5)	(30.7)	384.8	11.1x	2.2x	18.6	5.4	13.0	(0.3)	1.3
Consumer						(19.4)	1,073.7							
GGRM	49,650	53,000	59,550	Buy	19.9	(33.4)	95.5	9.2x	1.7x	21.0	5.2	1.7	(10.7)	0.9
KINO	3,330	3,430	2,950	Hold	(11.4)	7.4	4.8	17.4x	1.8x	10.7	3.2	(1.3)	(67.6)	0.9
ICBP	9,125	11,150	9,850	Hold	7.9	(14.1)	106.4	18.7x	3.9x	22.6	2.4	6.7	47.8	0.8
KLBF	1,525	1,620	1,630	Hold	6.9	4.5	71.5	27.7x	4.3x	16.3	1.3	8.0	12.5	1.1
Infrastructure						(25.6)	628.47							
TLKM	3,000	3,917	3,800	Buy	26.7	(28.8)	297.2	16.2x	2.8x	17.3	5.1	(1.9)	(5.8)	1.0
JSMR	3,990	5,175	4,600	Buy	15.3	(32.9)	29.0	13.1x	1.5x	12.0	0.4	(45.3)	0.5	1.3
Trade						(23.3)	554.3							
UNTR	21,500	21,525	19,000	Hold	(11.6)	(15.7)	80.2	8.2x	1.4x	17.3	5.6	(23.4)	(28.3)	0.9
MAPI	700	1,055	870	Buy	24.3	(23.9)	11.6	14.4x	2.0x	14.0	N/A	(100.0)	(99.9)	1.2
Property						(40.5)	284.3							
CTRA	655	1,040	810	Buy	23.7	(49.4)	12.2	11.5x	0.8x	7.2	1.5	(8.3)	(33.3)	1.5
WSKT	660	1,485	820	Buy	24.2	(68.6)	9.0	33.9x	0.6x	1.5	0.5	(51.9)	(94.1)	1.8
WIKA	1,205	1,990	1,840	Buy	52.7	(49.6)	10.8	5.2x	0.8x	14.3	4.2	(35.4)	(65.3)	1.8
Basic Ind.						(8.8)	604.3							
SMGR	9,475	12,000	10,925	Buy	15.3	(25.1)	56.2	21.9x	1.7x	8.0	0.4	5.6	66.7	1.3
Misc Ind.						(28.5)	277.4							
ASII	5,075	6,925	5,800	Hold	14.3	(30.2)	205.5	17.2x	1.3x	14.4	4.2	(99.9)	16.1	1.3
Mining						(16.5)	317.4							
TINS	780	825	830	Hold	6.4	(26.1)	5.8	N/A	1.2x	(22.6)	N/A	5.2	N/A	1.5
PTBA	2,070	2,660	2,900	Buy	40.1	(24.2)	23.8	6.0x	1.2x	20.6	15.8	(4.0)	(25.0)	1.1
INCO	3,400	3,640	3,500	Hold	2.9	13.0	33.8	17.5x	1.2x	5.6	N/A	23.3	N/A	1.6
ANTM	730	840	600	Sell	(17.8)	(21.9)	17.5	N/A	1.0x	(1.4)	0.4	(16.3)	N/A	1.6
Agriculture						(14.5)	73.8							
AALI	9,700	14,575	10,000	Hold	3.1	(3.2)	18.7	33.4x	1.0x	3.0	0.5	6.5	796.6	1.4

* Target Price

Source: Bloomberg, NHKSI Research

INNI Summary

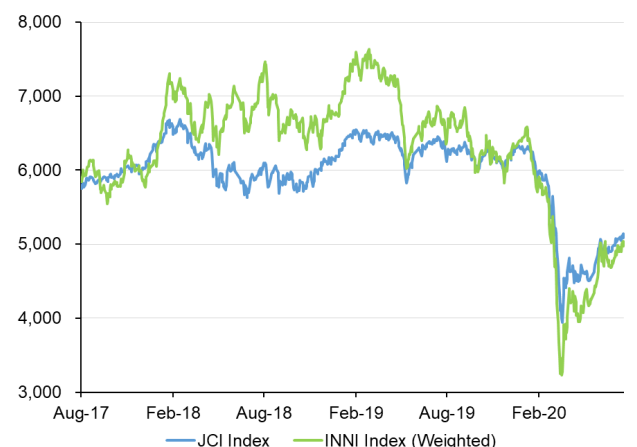
INNI Index Movement

YTD Change	-17.6%
YTD Change Gap (vs JCI)	1.0%
Weekly Change	1.9%
Weekly Change Gap (vs JCI)	1.9%

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	EC	15:00	M3 Money Supply YoY	Jun	9.2%	9.3%	8.9%
27 - July	GE	15:00	IFO Business Climate	Jul	90.5	93.7	86.2
	US	19.30	Durable Goods Orders	Jun	7.3%	7.0%	15.7%
Tuesday	US	21:00	Conf. Board Consumer Confidence	Jul	92.6	94.8	98.1
28 - July							
Wednesday	UK	15:30	Mortgage Approvals	Jun	40.0k	35.0k	9.3k
	US	18:00	MBA Mortgage Applications	Jul	-0.8%	--	4.10%
Thursday	US	13:00	FOMC Rate Decision (Upper Bound)	Jul		0.25%	0.25%
	GE	14:55	Unemployment Change (000's)	Jul		60.0k	69.0k
	GE	19:00	CPI MoM	Jul		-0.1%	0.6%
	GE	19:00	CPI YoY	Jul		0.5%	0.9%
	US	19:30	GDP Annualized QoQ	2Q20		-34.0%	-5.0%
	US	19:30	Initial Jobless Claims	Jul		--	1416k
Friday	EC	16:00	GDP SA QoQ	2Q20		-10.7%	-3.6%
	EC	16:00	GDP SA YoY	2Q20		-13.9%	-3.1%
	US	19:30	Personal Income	Jun		-0.5%	-4.2%
	US	19:30	Personal Spending	Jun		5.5%	8.2%
	US	21:00	U. of Mich. Sentiment	Jul		72.7	73.2

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	Cum Dividend	PWOR, GHON
	RUPS	PNBS, PLAS, PGLI, MGRO, MASA, MAGP, IATA, BCAP
27 - July		
Tuesday	Cum Dividend	AMAG
	RUPS	WEGE, TRUK, SRSN, MSKY, IPTV, INTP, DOID
28 - July		
Wednesday	Cum Dividend	FISH
	RUPS	ZONE, UNIC, UCID, TAMU, MERK, MDKA, KRAS, KEEN, KAEF, INCO, INAF, FORU, CTBN, CSRA, ATIC
29 - July		
Thursday	Stock Split	BELL
	Right Issue	ACST
	RUPS	YELO, TPMA, SLIS, PALM, IFII, DYAN, CTRA, CLEO, CITA, BBYB, BBKA, ASRM,
30 - July		

Source: RTI Analytics

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