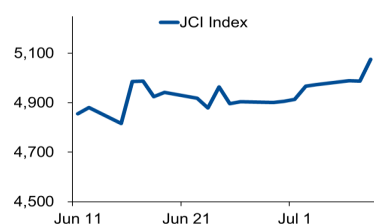
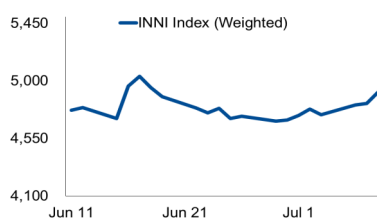


Morning Brief

JCI Movement



INNI Movement



Today's Outlook:

JCI Tries to Stay above Level 5,000

The major indices in the US managed to rebound in July 8, 2020 trading. The increase was supported by technology stocks such as Apple, Microsoft, Amazon, and Netflix. Investors assess that these companies will still experience increased demand in line with the high case of Covid-19 in the US.

Domestically, the JCI today will try to stay above the 5,000 level after yesterday finally broke through the psychological numbers. Banking stocks supported the rise in the Jakarta Composite Index (JCI) as the government starts distributing stimulus and agreement of burden sharing scheme by the government and BI

Company News

- ASII : Prepares Strategy to Face Pandemic
- WSKT : Bonds Rating Down to idBBB+
- WIKA : Joining Project Tender Worth up to IDR15 Billion
- CTRA : Booked Marketing Sales of IDR2 Billion

Domestic & Global News

- Declining May 2020 Retail Sales an Impact of PSBB
- Chile Consumer Prices Sag in June amid Pandemic

Sectors

	Last	Chg.	%
Finance	1,118.35	38.70	3.58%
Basic Industries	767.39	12.92	1.71%
Miscellaneous Industry	884.49	9.80	1.12%
Consumer Goods	1,825.01	16.93	0.94%
Infrastructure, Utilities, and Transportation	906.56	6.00	0.67%
Property, Real Estate	320.09	2.02	0.64%
Agriculture	1,053.28	3.45	0.33%
Trade, Services, and Investment	607.19	1.35	0.22%
Mining	1,285.48	1.34	-0.10%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	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)	2.09	(0.34)	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	-28.95%	-7.02%	FDI (USD bn)	4.51	4.60
Imports Yoy	-42.20%	-18.58%	Business Confidence	104.82	105.33
Inflation Yoy	1.96%	2.19%	Cons. Confidence*	83.80	77.80

JCI Index

July 08	5,076.17
Chg.	+89.09pts (+1.79%)
Volume (bn shares)	86.42
Value (IDR tn)	9.25
Adv 221 Dec 174 Unc 310 Untr 136	

INNI Index

Last	4,907.74
Chg.	+81.45pts (+1.69%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
UNTR	+6.5%	KINO	-2.0%
BBRI	+5.3%	INCO	-1.0%
WIKA	+4.2%	ICBP	0.5%
CTRA	+4.1%		
BBCA	+3.5%		

Foreign Transaction

	(IDR bn)
Buy	2,137
Sell	2,058
Net Buy (Sell)	78

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	249.8	TLKM	51.0
BBCA	161.0	BMRI	28.8
MDKA	66.0	TKIM	27.5
UNVR	55.7	SMGR	22.0
ASII	9.40	BSDE	19.0

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.12%	-0.02%
USDIDR	14,410	-0.21%
KRWIDR	12.06	-0.17%

Global Indices

Index	Last	Chg.	%
Dow Jones	26,067.28	177.10	0.68%
S&P 500	3,169.94	24.62	0.78%
FTSE 100	6,156.16	(33.74)	-0.55%
DAX	12,494.81	(121.99)	-0.97%
Nikkei	22,438.65	(176.04)	-0.78%
Hang Seng	26,129.18	153.52	0.59%
Shanghai	3,403.44	58.10	1.74%
KOSPI	2,158.88	(5.29)	-0.24%
EIDO	19.36	0.44	2.33%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,808.9	14.0	0.78%
Crude Oil (USD/B)	40.90	0.28	0.69%
ICE NewCastle (USD/ton)	55.05	(1.00)	-1.78%
LME Nickel (USD/MT)	13,493	24.0	0.18%
LME Tin (USD/MT)	17,075	105.0	0.62%
CPO (MYR/ton)	2,407	48.0	2.03%

ASII : Prepares Strategy to Face Pandemic

PT Astra International Tbk (ASII) is focusing on maintaining the company's operations and finances in the second half of this year by controlling costs, maintaining cash flow and ensuring the company has strong liquidity. ASII will continue to monitor developments and adapt to all changes in the face of this pandemic. (Kontan)

WIKA : Joining Project Tender Worth up to IDR15 Billion

PT Wijaya Karya (Persero) Tbk. (WIKA) is participating in a project tender worth IDR10-IDR15 trillion which can be accumulated into new contracts. Until the end of the year, WIKA is optimistic that it will still get new contracts through large project tenders that are still being opened by the government and several large SOEs. (Bisnis Indonesia)

WSKT : Bonds Rating Down to idBBB+

The Indonesian Rating Agency (Pefindo), cut the rating of PT Waskita Karya Tbk (WSKT) and PUB I/2015, PUB II/2016, and PUB II/2017 bonds to idBBB + from idA- because WSKT has high leverage and interest coverage. Pefindo also still has a negative outlook for WSKT in anticipation of further weakening in the credit profile. (Kontan)

CTRA : Booked Marketing Sales of IDR2 Billion

PT Ciputra Development Tbk (CTRA) posted a marketing sales figure of IDR2 trillion until June 2020, equivalent to 29.85% of its IDR6.7 trillion target, with the largest contribution coming from residential projects located in the Jabotabek area. Currently, CTRA is working on the possibility of decreasing marketing sales targets affected by the corona virus outbreak. (Bisnis Indonesia)

Domestic & Global News

Declining May 2020 Retail Sales an Impact of PSBB

Bank Indonesia (BI) conducted a retail sales survey in May 2020. Based on the survey, the Real Sales Index (IPR) indicated in that month was 198.3. IPR in May 2020 increased by 4.0% mom from April 2020 IPR which was 190.7. According to the Indonesian Economist on the Center for Reform of Economics (Core), the increase in IPR could be influenced by the Eid al-Fitr holiday. That number shows that retail sales is contracted by 25.4% yoy compared to May 2019 that booked an IPR of up to 249.8. Real sales is experiencing a yearly contraction as in major cities such as Jakarta, social activity restriction is still ongoing. (Kontan)

Chile Consumer Prices Sag in June amid Pandemic

Chilean consumer prices fell 0.1% in June, the government's statistics agency INE said on Wednesday, as the cost of transportation, clothing and health care all sagged amid the ongoing coronavirus outbreak. Inflation in the 12 months to June hit 2.6%, according to INE, slumping toward the low end of the central bank's 2-4% target range. (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						(14.6)	2,120.0							
BBCA	31,000	33,425	28,950	Hold	(6.6)	3.3	764.3	26.3x	4.5x	17.6	1.8	13.9	8.5	1.1
BBRI	3,190	4,400	3,010	Hold	(5.6)	(27.7)	393.5	11.4x	2.2x	18.6	5.3	13.0	(0.3)	1.3
Consumer						(23.6)	1,047.0							
GGRM	47,000	53,000	59,550	Buy	26.7	(39.2)	90.4	8.2x	1.7x	21.8	5.5	4.1	3.9	0.9
KINO	3,450	3,430	2,950	Hold	(14.5)	20.6	4.9	18.2x	1.8x	10.5	3.1	11.1	(81.3)	0.9
ICBP	9,450	11,150	9,850	Hold	4.2	(6.4)	110.2	19.4x	4.0x	22.6	1.4	6.7	47.8	0.8
KLBF	1,520	1,620	1,630	Hold	7.2	4.8	71.3	27.6x	4.3x	16.3	1.3	8.0	12.5	1.1
Infrastructure						(27.3)	634.47							
TLKM	3,150	3,917	3,800	Buy	20.6	(26.6)	312.0	17.1x	2.9x	17.3	4.9	(1.9)	(5.8)	1.0
JSMR	4,440	5,175	4,600	Hold	3.6	(22.1)	32.2	14.6x	1.7x	12.0	0.3	(45.3)	0.5	1.3
Trade						(25.0)	540.0							
UNTR	18,450	21,525	19,000	Hold	3.0	(33.4)	68.8	6.8x	1.1x	16.9	6.6	(19.0)	(40.2)	0.9
MAPI	735	1,055	820	Hold	11.6	(21.8)	12.2	15.3x	2.1x	14.0	N/A	0.6	N/A	1.2
Property						(34.2)	303.6							
CTRA	640	1,040	810	Buy	26.6	(41.6)	11.9	11.2x	0.8x	7.2	1.6	(8.3)	(33.3)	1.5
WSKT	725	1,485	960	Buy	32.4	(62.9)	9.8	37.2x	0.6x	1.5	0.5	(51.9)	(94.1)	1.8
WIKA	1,235	1,990	1,840	Buy	49.0	(47.7)	11.1	5.3x	0.8x	14.3	4.1	(35.4)	(65.3)	1.7
Basic Ind.						(5.0)	616.9							
SMGR	9,725	12,000	10,925	Hold	12.3	(21.7)	57.7	22.5x	1.7x	8.0	0.4	5.6	66.7	1.3
Misc Ind.						(31.0)	268.6							
ASII	4,910	6,925	5,800	Buy	18.1	(32.5)	198.8	9.3x	1.3x	14.4	4.4	(9.4)	(7.8)	1.3
Mining						(21.8)	296.9							
TINS	635	825	830	Buy	30.7	(38.9)	4.7	N/A	1.0x	(22.6)	N/A	5.2	N/A	1.5
PTBA	2,080	2,660	2,900	Buy	39.4	(29.0)	24.0	6.0x	1.2x	20.6	15.7	(4.0)	(25.0)	1.1
INCO	3,120	3,640	3,500	Hold	12.2	5.1	31.0	20.2x	1.1x	5.6	N/A	38.1	N/A	1.6
ANTM	660	840	600	Hold	(9.1)	(20.0)	15.9	N/A	0.9x	(1.4)	0.4	(16.3)	N/A	1.5
Agriculture						(25.5)	67.3							
AALI	8,650	14,575	10,000	Buy	15.6	(19.2)	16.6	30.6x	0.9x	2.9	0.6	13.3	891.7	1.4

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

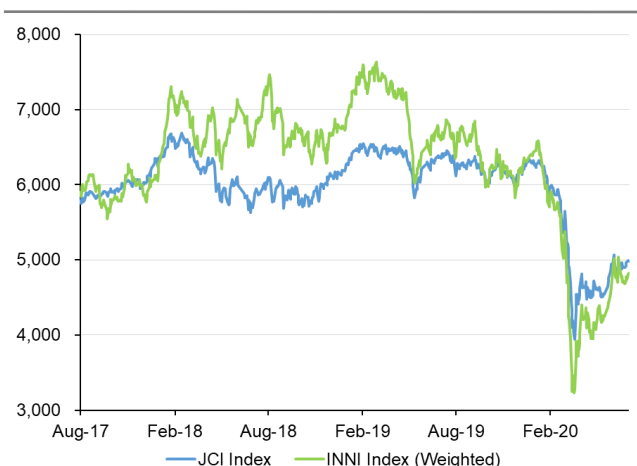
INNI Index Movement

YTD Change	-22.5%
YTD Change Gap (vs JCI)	-1.8%
Weekly Change	2.8%
Weekly Change Gap (vs JCI)	1.1%

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	GE	13.00	Factory Orders MoM	May	10.4%	15.4%	-25.8%
<i>06 - July</i>	UK	15.30	Markit/CIPS UK Construction PMI	June	55.3	46	28.9
	US	20.45	Markit US Services PMI	June	47.9	47	46.7
	US	20.45	Markit US Composite PMI	June	47.9	-	46.8
	US	21.00	ISM Non-Manufacturing Index	June	57.1	50	45.4
Tuesday	GE	13.00	Industrial Production SA MoM	May	7.8%	11.0%	-17.9%
<i>07 - July</i>							
Wednesday	US	18.00	MBA Mortgage Applications	July	2.2%	-	-1.8%
<i>08 - July</i>							
Thursday	CH	08.30	PPI YoY	June		-3.2%	-3.7%
<i>09 - July</i>	CH	08.30	CPI YoY	June		2.5%	2.4%
	US	19.30	Initial Jobless Claims	July		-	1427k
	US	21.00	Wholesale Inventories MoM	May		-1.2%	-1.2%
Friday	US	19.30	PPI Final Demand MoM	June		0.4%	0.4%
<i>10 - July</i>							

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	10.00	Foreign Reserves	June	\$131.70	-	\$130.50
<i>07 - July</i>						

Source: Bloomberg

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st
Fl. Unit A, SCBD Lot.28
Jl. Jendral Sudirman Kav. 52-53
Jakarta Selatan 12190
Telp : +62 21 50889100
Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

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