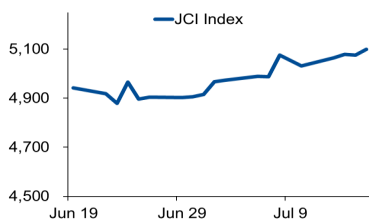


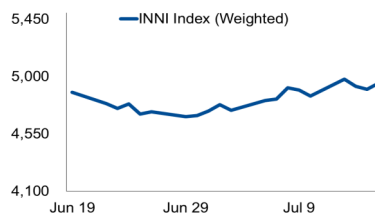
Morning Brief

Daily | July 17, 2020

JCI Movement



INNI Movement



Today's Outlook:

Limited Effect of Interest Rate Cut

Dow Jones closed lower in trading Thursday (07/16/2020) as well as ending the 4 day consecutive rally. US economic data record varied, where the number of unemployment claims is still above 1 million, but retail sales in June managed to rise quite significantly.

For Friday trading (07/17/2020), IHSG is expected to still experience positive effect of the BI-7DRRR reduction, although it is limited. Bank Indonesia has again cut its benchmark interest rate in the past 2 months to 4.00%. In addition, investors will also pay close attention to the effects of extending PSBB in Jakarta.

Company News

- TLKM : Telkomsel Gives Aid to the People
- PTBA : Sumsel PLTU Project Reach 48% of Construction
- JSMR : Will Receive IDR5 Trillion Fund from the Government

Domestic & Global News

- BI Cuts Benchmark Interest Rate by 25bps to 4%
- Pace of Decline in UK Jobs Market Slowed in June

Sectors

	Last	Chg.	%
Consumer Goods	1,876.31	46.08	2.52%
Miscellaneous Industry	930.14	11.86	1.29%
Infrastructure, Utilities, Transportation	894.11	4.36	0.49%
Basic Industries	779.49	2.16	0.28%
Finance	1,111.21	1.70	-0.15%
Trade, Services and Investment	603.73	1.45	-0.24%
Mining	1,291.17	5.62	-0.43%
Agriculture	1,014.24	7.04	-0.63%
Property, Real Estate, Construction	313.11	2.54	-0.81%

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 16	5,098.37
Chg.	+22.57pts (+0.44%)
Volume (bn shares)	84.58
Value (IDR tn)	6.88
Adv 187 Dec 216 Unc 302 Untr 126	

INNI Index

Last	4,944.55
Chg.	+46.60pts (+0.95%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
GGRM	+6.5%	KLBF	-1.7%
MAPI	+3.8%	CTRA	-1.5%
ASII	+1.9%	PTBA	-1.4%
KINO	+1.5%	INCO	-0.9%
ICBP	+1.3%	ANTM	-0.8%

Foreign Transaction

	(IDR bn)
Buy	2,220
Sell	2,096
Net Buy (Sell)	123

Top Buy	NB Val.	Top Sell	NS Val.
ASII	200.9	BBNI	40.8
BBCA	71.3	BBRI	25.0
ICBP	44.2	MNCN	17.3
TLKM	28.1	SMRA	15.1
CPIN	23.5	WSKT	12.1

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.04%	-0.04%
USDIDR	14,625	0.25%
KRWIDR	12.15	0.00%

Global Indices

Index	Last	Chg.	%
Dow Jones	26,734.71	(135.39)	-0.50%
S&P 500	3,215.57	(10.99)	-0.34%
FTSE 100	6,250.69	(41.96)	-0.67%
DAX	12,874.97	(56.01)	-0.43%
Nikkei	22,770.36	(175.14)	-0.76%
Hang Seng	24,970.69	(510.89)	-2.00%
Shanghai	3,210.10	(151.21)	-4.50%
KOSPI	2,183.76	(18.12)	-0.82%
EIDO	19.03	(0.09)	-0.47%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,797.2	(13.1)	-0.73%
Crude Oil (USD/B)	40.75	(0.45)	-1.09%
ICE NewCastle (USD/ton)	57.85	(0.80)	-1.36%
LME Nickel (USD/MT)	13,459	(69.0)	-0.51%
LME Tin (USD/MT)	17,370	90.0	0.52%
CPO (MYR/ton)	2,520	(9.0)	-0.36%

TLKM : Telkomsel Gives Aid to the People

Telkomsel, as a subsidiary of PT Telekomunikasi Indonesia Tbk (TLKM), raises funds by the directors and employees to be distributed to residents affected by the Covid-19 pandemic. Fundraising platforms that are used by Telkomsel are Kitabisa, Benihbaik, and Rumah Zakat. Meanwhile, through Telkomsel Shares employee movement successfully raised funds of up to IDR6 billion. (Investor Daily)

JSMR : Will Receive IDR5 Trillion Fund from the Government

PT Jasa Marga Tbk (JSMR) will get funds from the disbursement of Government debt amounting to IDR5 trillion after it was agreed by Commission VI in its work meeting. JSMR will use the funds to strengthen company liquidity and repay bank loans. The funds for the Government debt disbursement are funds from the Government's underpayment to JSMR related to land purchases in 2016-2020. (Bisnis Indonesia)

PTBA : Sumsel PLTU Project Reach 48% of Construction

PT Bukit Asam Tbk (PTBA) is still working on the Mulut Tambang Sumsel 8 Coal-Fire Electric Power Plant (PLTU) that currently has reached 48% of the construction target. The power plant is expected to operate commercially in 2022 and potentially absorb 5.4 million tonnes of PTBA coal production a year. Until now, PTBA has used IDR408 of capex fund, which is also used for the project. (Kontan)

Domestic & Global News

BI Cuts Benchmark Interest Rate by 25bps to 4%

Bank Indonesia (BI) decided to reduce the benchmark interest rate by 25 basis points (bps) to the level of 4.00% at the BI Board of Governors' Meeting (RDG) in July 2020. This decision is consistent with low inflation forecasts, maintained external stability, and further steps to accelerate economic recovery during the Covid-19 pandemic. (Kontan)

Pace of Decline in UK Jobs Market Slowed in June

The slide in Britain's jobs market eased in June, data showed, although the figures did not include the most recent slew of job losses and analysts said they represented a "calm before the storm" caused by the coronavirus' hit to the economy. The number of employees on company payrolls tumbled by 649,000 between March and June, but the largest falls came at the start of the lockdown. The number of people on payrolls fell by just over 74,400 in June, a much smaller decline than April's 450,000 and May's 124,000. (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						(16.2)	2,106.5							
BBCA	30,900	33,425	28,950	Hold	(6.3)	0.5	761.8	26.2x	4.4x	17.6	1.8	13.9	8.5	1.1
BBRI	3,140	4,400	3,010	Hold	(4.1)	(30.5)	387.3	11.2x	2.2x	18.6	5.4	13.0	(0.3)	1.3
Consumer						(20.9)	1,076.4							
GGRM	50,025	53,000	59,550	Buy	19.0	(34.7)	96.3	8.8x	1.8x	21.8	5.2	4.1	3.9	0.9
KINO	3,350	3,430	2,950	Hold	(11.9)	20.9	4.8	17.6x	1.8x	10.5	3.2	11.1	(81.3)	0.9
ICBP	9,575	11,150	9,850	Hold	2.9	(9.9)	111.7	19.6x	4.1x	22.6	1.4	6.7	47.8	0.8
KLBF	1,485	1,620	1,630	Hold	9.8	2.1	69.6	27.0x	4.2x	16.3	1.3	8.0	12.5	1.1
Infrastructure						(27.3)	625.77							
TLKM	3,100	3,917	3,800	Buy	22.6	(25.7)	307.1	16.8x	2.9x	17.3	5.0	(1.9)	(5.8)	1.0
JSMR	4,390	5,175	4,600	Hold	4.8	(25.9)	31.9	14.4x	1.6x	12.0	0.3	(45.3)	0.5	1.3
Trade						(26.1)	536.9							
UNTR	18,325	21,525	19,000	Hold	3.7	(34.6)	68.4	6.8x	1.1x	16.9	6.6	(19.0)	(40.2)	0.9
MAPI	690	1,055	820	Buy	18.8	(29.6)	11.5	14.4x	1.9x	14.0	N/A	0.6	N/A	1.2
Property						(36.8)	297.0							
CTRA	655	1,040	810	Buy	23.7	(44.5)	12.2	11.5x	0.8x	7.2	1.5	(8.3)	(33.3)	1.5
WSKT	725	1,485	820	Hold	13.1	(66.7)	9.8	37.2x	0.6x	1.5	0.5	(51.9)	(94.1)	1.8
WIKA	1,265	1,990	1,840	Buy	45.5	(49.2)	11.3	5.4x	0.8x	14.3	4.0	(35.4)	(65.3)	1.7
Basic Ind.						(2.6)	626.7							
SMGR	9,400	12,000	10,925	Buy	16.2	(24.8)	55.8	21.7x	1.7x	8.0	0.4	5.6	66.7	1.3
Misc Ind.						(26.2)	282.5							
ASII	5,250	6,925	5,800	Hold	10.5	(26.1)	212.5	10.0x	1.4x	14.4	4.1	(9.4)	(7.8)	1.3
Mining						(21.3)	298.6							
TINS	640	825	830	Buy	29.7	(41.3)	4.8	N/A	1.0x	(22.6)	N/A	5.2	N/A	1.5
PTBA	2,120	2,660	2,900	Buy	36.8	(24.8)	24.4	6.1x	1.2x	20.6	15.4	(4.0)	(25.0)	1.1
INCO	3,190	3,640	3,500	Hold	9.7	1.9	31.7	22.3x	1.2x	5.6	N/A	38.1	N/A	1.6
ANTM	650	840	600	Hold	(7.7)	(27.8)	15.6	N/A	0.9x	(1.4)	0.4	(16.3)	N/A	1.5
Agriculture						(18.8)	70.6							
AALI	8,975	14,575	10,000	Hold	11.4	(11.8)	17.3	31.7x	0.9x	2.9	0.5	13.3	891.7	1.4

* Target Price

Source: Bloomberg, NHKSI Research

INNI Summary

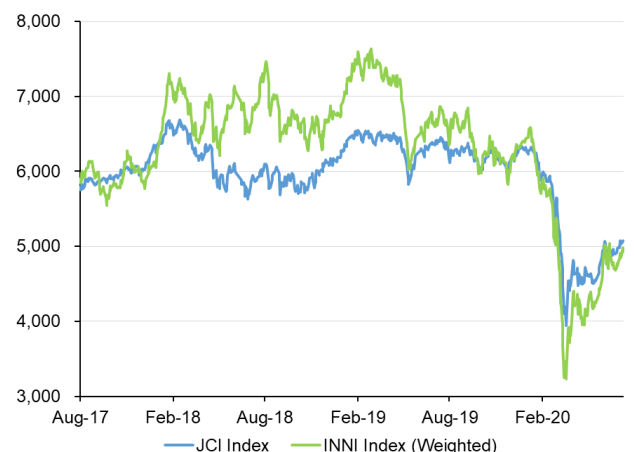
INNI Index Movement

YTD Change	-21.3%
YTD Change Gap (vs JCI)	-2.0%
Weekly Change	-0.2%
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
Tuesday	US	01:00	Monthly Budget Statement	Jun	-\$864.1b	-\$863.0b	-\$8.5b
<i>14 - July</i>	UK	13:00	Industrial Production MoM	May	6.0%	5.2%	-20.3%
	UK	13:00	Industrial Production YoY	May	-20.0%	-20.8%	-24.4%
	UK	13:00	Manufacturing Production MoM	May	8.4%	5.0%	-24.3%
	UK	13:00	Trade Balance GBP/Mn	May	£4296m	-£635m	£305m
	GE	13:00	CPI MoM	Jun	0.6%	0.6%	0.6%
	GE	13:00	CPI YoY	Jun	0.9%	0.9%	0.9%
	US	19:30	CPI MoM	Jun	0.6%	0.6%	-0.1%
	US	19:30	CPI Ex Food and Energy MoM	Jun	0.2%	0.1%	-0.1%
	US	19:30	CPI YoY	Jun	0.6%	0.6%	0.1%
Wednesday	UK	13:00	CPI MoM	Jun	0.1%	0.0%	0.0%
<i>15 - July</i>	UK	13:00	CPI YoY	Jun	0.6%	0.5%	0.5%
	UK	13:00	CPI Core YoY	Jun	1.4%	1.2%	1.2%
	US	19:30	Import Price Index MoM	Jun	1.4%	1.0%	1.0%
Thursday	CH	09:00	Industrial Production YoY	Jun	4.8%	4.8%	4.4%
<i>16 - July</i>	CH	09:00	GDP YoY	2Q20	3.2%	2.5%	-6.8%
	CH	09:00	Retail Sales YoY	Jun	-1.8%	0.2%	-2.8%
	US	19:30	Retail Sales Advance MoM	Jun	7.5%	5.5%	17.7%
Friday	EC	16:00	CPI YoY	Jun		0.3%	0.1%
<i>17 - July</i>	EC	16:00	CPI MoM	Jun		0.3%	0.3%
	US	19:30	Housing Starts	Jun		1180k	974k
	US	21:00	U. of Mich. Sentiment	Jul		80	78.1

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Wednesday	11:00	Trade Balance	Jun	\$1267m	\$1200m	\$2092m
<i>15 - July</i>						
Thursday	14:20	Bank Indonesia 7D Reverse Repo	Jul	4.00%	4.00%	4.25%
<i>16 - July</i>						

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday, 13 July	Dividend; RUPS	VINS; KEJU, HKMU, BRNA
Tuesday, 14 July	Dividend; RUPS	DVLA; SMNP
Wednesday, 15 July	Dividend; RUPS	XISB, SRIL, ROTI; TOTL, SMAR, IPCM, INDS, INDF, ICBP, DILD, CAKK
Thursday, 16 July	Dividend; RUPS	ELSA; SDPC, MAYA, LSIP, JKON, JECC, BACA
Friday, 17 July	RUPS	TGRA, POWR, LPIN, INDO, GHON, BEKS

Source: RTI Analytics

Research Division

Head of Research

Anggaraksa Arismunandar

Market Strategy, Economy, Misc. Industry
T +62 21 5088 9134 ext. 9134
E anggaraksa@nhsec.co.id

Analyst

Ajeng Kartika Hapsari

Property, Construction
T +62 21 5088 ext 9130
E ajeng@nhsec.co.id

Analyst

Arief Machrus

Banking, Fixed Income
T +62 21 5088 ext 9127
E arief.machrus@nhsec.co.id

Analyst

Meilki Riyanto Darmawan S

Mining, Plantation
T +62 21 5088 ext 9128
E meilki.darmawan@nhsec.co.id

Analyst

Putu Chantika

Consumer, Retail
T +62 21 5088 ext 9129
E putu.chantika@nhsec.co.id

Analyst

Restu Pamungkas

Telco, Tower, Toll road
T +62 21 5088 ext 9133
E restu.pamungkas@nhsec.co.id

Research Support

Jasmine Kusumawardani

T +62 21 5088 ext 9132
E jasmine.kusumawardani@nhsec.co.id

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



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

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta