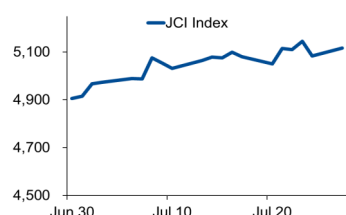


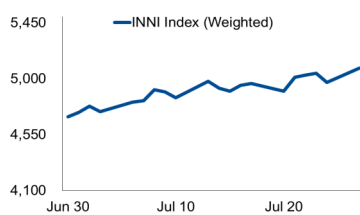
# Morning Brief

Daily | July 28, 2020

## JCI Movement



## INNI Movement



## Today's Outlook:

### Stimulus Expectation

Wall Street closed higher to start the week. Investors show great expectation that a new deal on stimulus package will be reached, while also bracing for financial releases of some of the biggest companies this week.

The JCI also gained at the beginning of the week, supported by news that government funds have been allocated to several local banks and the new record in gold price. However, today's movement predicted to be limited with potential of profit taking after yesterday's significant gain.

## Company News

- KINO : Drop in 1H Net Profit
- BBCA : 1H20 Profit Down
- MDKA : Bonds Issuance of IDR1.4 Trillion
- WIKA : Wins 2 Prestigious Awards

## Domestic & Global News

- New COVID-19 Budget Absorbed 19%, Health Sector Absorption Lacking
- China's Industrial Profit Growth Quickens

## Sectors

	Last	Chg.	%
Mining	1,375.40	25.83	1.91%
Trade, Service, and Investment	621.70	9.27	1.51%
Finance	1,120.93	16.24	1.47%
Miscellaneous Industry	916.08	10.52	1.16%
Infrastructure, Utilities, and Transportation	903.69	6.58	0.73%
Agriculture	1,153.35	8.19	0.72%
Property, Real Estate, and Construction	303.83	0.12	-0.04%
Consumer Goods	1,850.29	0.94	-0.05%
Basic Industries	761.54	16.76	-2.15%

## 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 27	5,116.66
Chg.	+33.67pts (+0.66%)
Volume (bn shares)	125.36
Value (IDR tn)	7.27
<b>Adv 190 Dec 207 Unc 308 Untr 117</b>	

## INNI Index

Last	5,092.64
Chg.	+119.86pts (+2.41%)

## INNI's Top Gainers & Losers

Gainers	%	Losers	%
UNTR	+8.0%	WSKT	-5.6%
TINS	+6.6%	ICBP	-1.9%
ANTM	+5.8%	WIKA	-1.6%
INCO	+5.8%	KLBF	-1.3%
BBRI	+1.9%	KINO	-1.2%

## Foreign Transaction

	(IDR bn)
Buy	1,116
Sell	1,561
Net Buy (Sell)	444

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	63.7	TLKM	41.6
MDKA	26.5	BBNI	32.6
BMRI	25.3	SMRA	31.7
CPIN	16.1	BBCA	31.4
PTBA	10.5	UNTR	31.1

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.87%	-0.02%
USDIDR	14,535	-0.51%
KRWIDR	12.13	-0.21%

## Global Indices

Index	Last	Chg.	%
Dow Jones	26,584.77	114.88	0.43%
S&P 500	3,239.41	23.78	0.74%
FTSE 100	6,104.88	(18.94)	-0.31%
DAX	12,838.66	0.60	0.00%
Nikkei	22,715.85	(35.76)	-0.16%
Hang Seng	24,603.26	(102.07)	-0.41%
Shanghai	3,205.23	8.46	0.27%
KOSPI	2,217.86	17.42	0.79%
EIDO	19.28	0.22	1.15%

## Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,942.2	40.2	2.11%
Crude Oil (USD/B)	41.60	0.31	0.75%
ICE NewCastle (USD/ton)	52.35	(0.75)	-1.41%
LME Nickel (USD/MT)	13,719	63.0	0.46%
LME Tin (USD/MT)	18,035	378.0	2.14%
CPO (MYR/ton)	2,672	(106.0)	-3.82%

### **KINO : Drop in 1H Net Profit**

PT Kino Indonesia Tbk (KINO) recorded a net profit in 1H20 amounted to IDR118 billion or down 67% YoY. The drop was due to increasing costs, while forex gains and asset divestment were yet to help performance. KINO was still able to increase its total assets in 1H20 to IDR5.2 trillion compared to IDR4.2 trillion in 2019. (Kontan)

### **BBCA : 1H20 Profit Down**

PT Bank Central Asia Tbk (BBCA) booked a 1H20 net profit of IDR12 trillion or a 4.8% YoY drop. This was caused by an increase in provision costs by 167% YoY to IDR6.5 trillion and a slower credit expansion due to the pandemic. Currently BBCA is still focusing to deal with slowdowns in business activities by performing loan restructuring for selected segments. (Kontan)

### **MDKA : Bonds Issuance of IDR1.4 Trillion**

PT Merdeka Copper Gold Tbk (MDKA) has released bonds amounting to IDR1.4 trillion on 27 July 2020 in 2 series. Series A with amounts of IDR673 billion offered a fixed rate of 8.9% pa and Series B with principal amount of IDR726 billion at 10.5% pa. The first coupon payment will be due on 30 October 2020 (Kontan)

### **WIKA : Wins 2 Prestigious Awards**

PT Wijaya Karya Tbk (WIKA) won 2 awards in The Most Awesome in Leadership Development & The Most Awesome in Talent Acquisition from PPM Manajemen. The awards was achieved thanks to WIKA's successful leadership programs and long-term talent retentions in the company. (Kontan)

## Domestic & Global News

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### **New COVID-19 Budget Absorbed 19%, Health Sector Absorption Lacking**

President Joko Widodo complained after absorption of the budget for handling the coronavirus (Covid-19) was still less. Of the total IDR695.2 trillion, the budget absorbed is only around 19% or IDR136 trillion. Whereas before, Jokowi had already reprimanded the ministers for the slow absorption. (Kontan)

### **China's Industrial Profit Growth Quickens**

Profits at China's industrial firms rose for a second straight month and at the fastest pace in over a year, adding to signs the country's economic recovery from the coronavirus crisis is gaining momentum. The statistics bureau said on Monday that profits at China's industrial firms rose 11.5% year-on-year in June to 666.55 billion yuan (USD95.27 billion) - marking the quickest profit growth since March 2019. (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>						(14.4)	2,126.3							
BBCA	30,500	33,425	28,950	Hold	(5.1)	(1.5)	752.0	26.9x	4.4x	17.6	1.8	#N/A	N/A	1.1
BBRI	3,150	4,400	3,010	Hold	(4.4)	(29.1)	388.5	11.2x	2.2x	18.6	5.3	13.0	(0.3)	1.3
<b>Consumer</b>						(20.7)	1,061.5							
GGRM	48,500	53,000	59,550	Buy	22.8	(35.3)	93.3	8.5x	1.7x	21.8	5.4	4.1	3.9	0.9
KINO	3,310	3,430	2,950	Hold	(10.9)	6.1	4.7	17.3x	1.7x	10.5	3.3	(1.3)	(67.6)	0.9
ICBP	9,000	11,150	9,850	Hold	9.4	(14.9)	105.0	18.5x	3.8x	22.6	2.4	6.7	47.8	0.8
KLBF	1,550	1,620	1,630	Hold	5.2	6.9	72.7	28.1x	4.4x	16.3	1.3	8.0	12.5	1.1
<b>Infrastructure</b>						(23.6)	632.47							
TLKM	3,040	3,917	3,800	Buy	25.0	(25.9)	301.1	16.5x	2.8x	17.3	5.1	(1.9)	(5.8)	1.0
JSMR	4,070	5,175	4,600	Hold	13.0	(29.2)	29.5	13.4x	1.5x	12.0	0.4	(45.3)	0.5	1.3
<b>Trade</b>						(23.7)	552.9							
UNTR	21,000	21,525	19,000	Hold	(9.5)	(20.8)	78.3	7.8x	1.2x	16.9	5.8	(19.0)	(40.2)	0.9
MAPI	690	1,055	870	Buy	26.1	(27.0)	11.5	14.2x	1.9x	14.0	N/A	(100.0)	(99.9)	1.2
<b>Property</b>						(38.8)	288.2							
CTRA	655	1,040	810	Buy	23.7	(48.8)	12.2	11.5x	0.8x	7.2	1.5	(8.3)	(33.3)	1.5
WSKT	670	1,485	820	Buy	22.4	(67.6)	9.1	34.4x	0.6x	1.5	0.5	(51.9)	(94.1)	1.8
WIKA	1,210	1,990	1,840	Buy	52.1	(48.3)	10.9	5.2x	0.8x	14.3	4.2	(35.4)	(65.3)	1.8
<b>Basic Ind.</b>						(7.2)	612.2							
SMGR	9,375	12,000	10,925	Buy	16.5	(24.4)	55.6	21.6x	1.7x	8.0	0.4	5.6	66.7	1.3
<b>Misc Ind.</b>						(26.8)	278.2							
ASII	5,125	6,925	5,800	Hold	13.2	(27.6)	207.5	9.7x	1.3x	14.4	4.2	(9.4)	(7.8)	1.3
<b>Mining</b>						(15.0)	318.1							
TINS	725	825	830	Hold	14.5	(28.9)	5.4	N/A	1.1x	(22.6)	N/A	5.2	N/A	1.5
PTBA	2,080	2,660	2,900	Buy	39.4	(24.4)	24.0	6.0x	1.2x	20.6	15.7	(4.0)	(25.0)	1.1
INCO	3,470	3,640	3,500	Hold	0.9	18.8	34.5	22.3x	1.2x	5.6	N/A	38.1	N/A	1.6
ANTM	725	840	600	Sell	(17.2)	(18.5)	17.4	N/A	1.0x	(1.4)	0.4	(16.3)	N/A	1.6
<b>Agriculture</b>						(14.8)	73.7							
AALI	9,400	14,575	10,000	Hold	6.4	(6.7)	18.1	33.2x	1.0x	2.9	0.5	13.3	891.7	1.4

\* Target Price

Source: Bloomberg, NHKSI Research

## INNI Summary

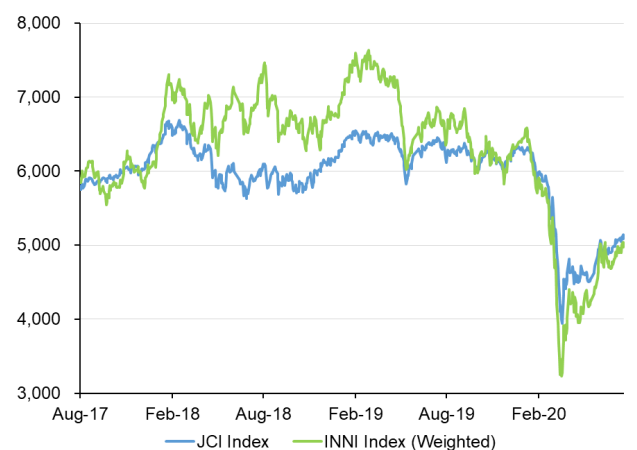
### INNI Index Movement

YTD Change	-18.3%
YTD Change Gap (vs JCI)	0.3%
Weekly Change	3.8%
Weekly Change Gap (vs JCI)	2.5%

### 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>	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%
<b>Tuesday</b>	US	21:00	Conf. Board Consumer Confidence	Jul		94.8	98.1
28 - July							
<b>Wednesday</b>	UK	15:30	Mortgage Approvals	Jun		35.0k	9.3k
	US	18:00	MBA Mortgage Applications	Jul		--	4.10%
29 - July							
<b>Thursday</b>	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
<b>Friday</b>	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
<b>Monday</b>	Cum Dividend	PWOR, GHON
	RUPS	PNBS, PLAS, PGLI, MGRO, MASA, MAGP, IATA, BCAP
27 - July		
<b>Tuesday</b>	Cum Dividend	AMAG
	RUPS	WEGE, TRUK, SRSN, MSKY, IPTV, INTP, DOID
28 - July		
<b>Wednesday</b>	Cum Dividend	FISH
	RUPS	ZONE, UNIC, UCID, TAMU, MERK, MDKA, KRAS, KEEN, KAEF, INCO, INAF, FORU, CTBN, CSRA, ATIC
29 - July		
<b>Thursday</b>	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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