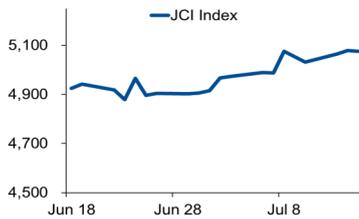


# Morning Brief

Daily | July 16, 2020

## JCI Movement



## INNI Movement



## Today's Outlook:

### Vaccine Optimism Ahead of Interest Rate Announcement

The three major indices in the US continued to strengthen until the closing on Wednesday (07/15/2020), as the optimism of the development of the Covid-19 vaccine was still high. In addition, the release of financial statements from large financial institutions such as JP Morgan and Goldman Sachs also managed to exceed estimates.

Domestically, the JCI movement tends to be flat in responding to yesterday's Trade Balance data which recorded a surplus. Meanwhile, the market also estimates that Bank Indonesia will maintain the 7-DRRR benchmark interest rate which will be announced this afternoon.

## Company News

- WIKA : Boosting Station Works in Taiwan
- BBRI : Will Expand Credit in Semester-II
- PTBA : Aiming for New Mines in Central Kalimantan

## Domestic & Global News

Increased by 15.09% MoM, Export Value in June reach USD12.03 Billion  
U.S. Manufacturing Snaps Back

## Sectors

|   | Last     | Chg.  | %      |
|---|----------|-------|--------|
| Mining                                    | 1,296.80 | 17.54 | -1.34% |
| Finance                                   | 1,112.92 | 5.52  | -0.49% |
| Basic Industries                          | 777.32   | 1.91  | -0.25% |
| Consumer Goods                            | 1,830.22 | 3.94  | -0.22% |
| Trade, Services and Investment            | 605.19   | 0.08  | 0.01%  |
| Infrastructure, Utilities, Transportation | 889.75   | 0.60  | 0.07%  |
| Property, Real Estate, and Construction   | 315.65   | 3.77  | 1.21%  |
| Agriculture                               | 1,111.29 | 29.17 | 2.70%  |
| Miscellaneous Industry                    | 918.28   | 27.90 | 3.13%  |

## 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)    | 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 15                                 | 5,075.79          |
| Chg.                                    | -3.24pts (-0.07%) |
| Volume (bn shares)                      | 100.04            |
| Value (IDR tn)                          | 7.20              |
| <b>Adv 202 Dec 206 Unc 297 Untr 138</b> |                   |

## INNI Index

|      |                    |
|------|--------------------|
| Last | 4,897.95           |
| Chg. | -24.94pts (-0.51%) |

## INNI's Top Gainers & Losers

| Gainers | %     | Losers | %     |
|---------|-------|--------|-------|
| ASII    | +4.0% | MAPI   | -5.0% |
| CTRA    | +3.1% | SMGR   | -2.1% |
| AALI    | +2.7% | BBRI   | -1.3% |
| WSKT    | +0.7% | INCO   | -0.9% |
| PTBA    | +0.5% | ANTM   | -0.8% |

## Foreign Transaction

|                | (IDR bn) |
|----------------|----------|
| Buy            | 1,865    |
| Sell           | 2,517    |
| Net Buy (Sell) | 651      |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---------|---------|----------|---------|
| ICBP    | 20.7    | BBRI     | 238.7   |
| PTBA    | 19.7    | BBNI     | 56.3    |
| ACES    | 13.1    | TLKM     | 42.7    |
| KLBF    | 12.9    | BSDE     | 36.5    |
| JSMR    | 9.6     | BMRI     | 31.2    |

## Government Bond Yields & FX

|                | Last   | Chg.   |
|----------------|--------|--------|
| Tenor: 10 year | 7.07%  | -0.02% |
| USDIDR         | 14,588 | 0.96%  |
| KRWIDR         | 12.15  | 1.42%  |

## Global Indices

| Index     | Last      | Chg.    | %      |
|-----------|-----------|---------|--------|
| Dow Jones | 26,870.10 | 227.51  | 0.85%  |
| S&P 500   | 3,226.56  | 29.04   | 0.91%  |
| FTSE 100  | 6,292.65  | 112.90  | 1.83%  |
| DAX       | 12,930.98 | 233.62  | 1.84%  |
| Nikkei    | 22,945.50 | 358.49  | 1.59%  |
| Hang Seng | 25,481.58 | 3.69    | 0.01%  |
| Shanghai  | 3,361.30  | (53.32) | -1.56% |
| KOSPI     | 2,201.88  | 18.27   | 0.84%  |
| EIDO      | 19.12     | (0.17)  | -0.88% |

## Commodities

| Commodity               | Last    | Chg.   | %      |
|-------------------------|---------|--------|--------|
| Gold (USD/t oz)         | 1,810.3 | 0.9    | 0.05%  |
| Crude Oil (USD/B)       | 41.20   | 0.91   | 2.26%  |
| ICE NewCastle (USD/ton) | 55.50   | 0.10   | 0.18%  |
| LME Nickel (USD/MT)     | 13,528  | (57.0) | -0.42% |
| LME Tin (USD/MT)        | 17,280  | (30.0) | -0.17% |
| CPO (MYR/ton)           | 2,564   | 62.0   | 2.48%  |

### **WIKA : Boosting Station Works in Taiwan**

PT Wijaya Karya Tbk (WIKA) is still focused on working on the MRT project in Taiwan which has been carried out since 2019 with a target of completion in 2020. The MRT is a ring road lane in Taipei City, which is called the Sanying Line with a length of 14.3 km and WIKA is the only foreign contractor. Besides projects in Taiwan, WIKA is also still working on foreign projects in Malaysia along with Algeria. (Kontan)

### **PTBA : Aiming for New Mines in Central Kalimantan**

PT Bukit Asam Tbk (PTBA) plans to manage the land owned by Asmin Koalindo Tuhup (AKT) located in Murung Raya Regency, Central Kalimantan. PTBA will take over after AKT terminates the mining permit contract at the location related to legal issues. In addition to the expansion plan, PTBA is still continuing the Sumsel 8 power plant project, which is still running and has now reached 48%. (CNBC Indonesia)

### **BBRI : Will Expand Credit in Semester-II**

PT Bank Rakyat Indonesia Tbk (BBRI) will continue to expand credit in 2H20 aiming at the food sector and its supply chain. The purpose of selecting the food sector and its supply chain is considering those sectors are crucial along with its transportation route during the pandemic. The expansion will be supported by funds of IDR10 trillion given by the Government to BBRI. (Kontan)

## Domestic & Global News

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### **Increased by 15.09% MoM, Export Value in June reach USD12.03 Billion**

After briefly declining in May 2020, the value of Indonesian exports finally managed to climb in June 2020. The Central Statistics Agency (BPS) noted, the value of Indonesia's exports last month was USD12.03 billion. The value increased by 15.09% mom, and even when compared to June 2019, the value increased 2.28% yoy. This news is encouraging because the movements in exports shows a positive signal to the Indonesian economy. (Kontan)

### **U.S. Manufacturing Snaps Back**

U.S. factory output rose by the most in more than 74 years in June as motor vehicle production accelerated amid the reopening of businesses, but the nascent economic recovery was overshadowed by surging new COVID-19 infections. The Fed said manufacturing production jumped 7.2% last month, the largest gain since March 1947, after climbing 3.8% in May. Despite two straight monthly increases, factory output was 11.1% below its level in February. Economists polled by Reuters had forecast manufacturing output rising 5.6% in June. (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>        |            |                        |               |        |                      | (16.1)            | 2,109.6             |                   |              |                      |                        |                      |                    |           |
| BBCA                  | 30,750     | 33,425                 | 28,950        | Hold   | (5.9)                | 1.1               | 758.1               | 26.1x             | 4.4x         | 17.6                 | 1.8                    | 13.9                 | 8.5                | 1.1       |
| BBRI                  | 3,130      | 4,400                  | 3,010         | Hold   | (3.8)                | (31.2)            | 386.1               | 11.1x             | 2.2x         | 18.6                 | 5.4                    | 13.0                 | (0.3)              | 1.3       |
| <b>Consumer</b>       |            |                        |               |        |                      | (22.1)            | 1,050.0             |                   |              |                      |                        |                      |                    |           |
| GGRM                  | 46,975     | 53,000                 | 59,550        | Buy    | 26.8                 | (38.4)            | 90.4                | 8.2x              | 1.7x         | 21.8                 | 5.5                    | 4.1                  | 3.9                | 0.9       |
| KINO                  | 3,300      | 3,430                  | 2,950         | Hold   | (10.6)               | 18.3              | 4.7                 | 17.4x             | 1.7x         | 10.5                 | 3.3                    | 11.1                 | (81.3)             | 0.9       |
| ICBP                  | 9,450      | 11,150                 | 9,850         | Hold   | 4.2                  | (9.4)             | 110.2               | 19.4x             | 4.0x         | 22.6                 | 1.4                    | 6.7                  | 47.8               | 0.8       |
| KLBF                  | 1,510      | 1,620                  | 1,630         | Hold   | 7.9                  | 5.2               | 70.8                | 27.4x             | 4.3x         | 16.3                 | 1.3                    | 8.0                  | 12.5               | 1.1       |
| <b>Infrastructure</b> |            |                        |               |        |                      | (28.1)            | 622.71              |                   |              |                      |                        |                      |                    |           |
| TLKM                  | 3,090      | 3,917                  | 3,800         | Buy    | 23.0                 | (26.1)            | 306.1               | 16.7x             | 2.9x         | 17.3                 | 5.0                    | (1.9)                | (5.8)              | 1.0       |
| JSMR                  | 4,400      | 5,175                  | 4,600         | Hold   | 4.5                  | (25.4)            | 31.9                | 14.4x             | 1.6x         | 12.0                 | 0.3                    | (45.3)               | 0.5                | 1.3       |
| <b>Trade</b>          |            |                        |               |        |                      | (26.0)            | 538.2               |                   |              |                      |                        |                      |                    |           |
| UNTR                  | 18,250     | 21,525                 | 19,000        | Hold   | 4.1                  | (34.4)            | 68.1                | 6.8x              | 1.1x         | 16.9                 | 6.6                    | (19.0)               | (40.2)             | 0.9       |
| MAPI                  | 665        | 1,055                  | 820           | Buy    | 23.3                 | (30.4)            | 11.0                | 13.8x             | 1.9x         | 14.0                 | N/A                    | 0.6                  | N/A                | 1.2       |
| <b>Property</b>       |            |                        |               |        |                      | (36.4)            | 299.4               |                   |              |                      |                        |                      |                    |           |
| CTRA                  | 665        | 1,040                  | 810           | Buy    | 21.8                 | (43.9)            | 12.3                | 11.6x             | 0.8x         | 7.2                  | 1.5                    | (8.3)                | (33.3)             | 1.5       |
| WSKT                  | 720        | 1,485                  | 820           | Hold   | 13.9                 | (65.9)            | 9.8                 | 36.9x             | 0.6x         | 1.5                  | 0.5                    | (51.9)               | (94.1)             | 1.8       |
| WIKA                  | 1,260      | 1,990                  | 1,840         | Buy    | 46.0                 | (48.6)            | 11.3                | 5.4x              | 0.8x         | 14.3                 | 4.0                    | (35.4)               | (65.3)             | 1.7       |
| <b>Basic Ind.</b>     |            |                        |               |        |                      | (2.9)             | 624.9               |                   |              |                      |                        |                      |                    |           |
| SMGR                  | 9,450      | 12,000                 | 10,925        | Buy    | 15.6                 | (23.5)            | 56.1                | 21.8x             | 1.7x         | 8.0                  | 0.4                    | 5.6                  | 66.7               | 1.3       |
| <b>Misc Ind.</b>      |            |                        |               |        |                      | (29.8)            | 278.9               |                   |              |                      |                        |                      |                    |           |
| ASII                  | 5,150      | 6,925                  | 5,800         | Hold   | 12.6                 | (30.9)            | 208.5               | 9.8x              | 1.3x         | 14.4                 | 4.2                    | (9.4)                | (7.8)              | 1.3       |
| <b>Mining</b>         |            |                        |               |        |                      | (20.9)            | 299.9               |                   |              |                      |                        |                      |                    |           |
| TINS                  | 645        | 825                    | 830           | Buy    | 28.7                 | (40.3)            | 4.8                 | N/A               | 1.0x         | (22.6)               | N/A                    | 5.2                  | N/A                | 1.5       |
| PTBA                  | 2,150      | 2,660                  | 2,900         | Buy    | 34.9                 | (24.3)            | 24.8                | 6.2x              | 1.2x         | 20.6                 | 15.2                   | (4.0)                | (25.0)             | 1.1       |
| INCO                  | 3,220      | 3,640                  | 3,500         | Hold   | 8.7                  | 5.2               | 32.0                | 22.8x             | 1.2x         | 5.6                  | N/A                    | 38.1                 | N/A                | 1.6       |
| ANTM                  | 655        | 840                    | 600           | Hold   | (8.4)                | (26.8)            | 15.7                | N/A               | 0.9x         | (1.4)                | 0.4                    | (16.3)               | N/A                | 1.5       |
| <b>Agriculture</b>    |            |                        |               |        |                      | (18.4)            | 71.0                |                   |              |                      |                        |                      |                    |           |
| AALI                  | 8,850      | 14,575                 | 10,000        | Hold   | 13.0                 | (13.4)            | 17.0                | 31.3x             | 0.9x         | 2.9                  | 0.6                    | 13.3                 | 891.7              | 1.4       |

\* Target Price

Source: Bloomberg, NHKSI Research

## INNI Summary

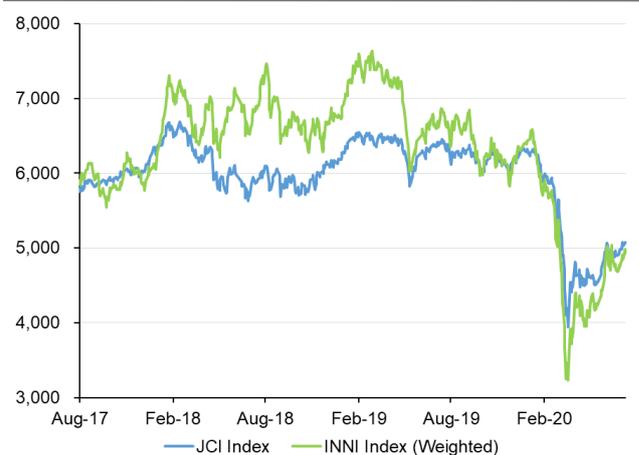
### INNI Index Movement

|                            |        |
|----------------------------|--------|
| 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 |
|------------------|---------|--------------|------------------------------|--------|-----------|-----------|----------|
| <b>Tuesday</b>   | 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%     |
| <b>Wednesday</b> | 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%     |
| <b>Thursday</b>  | CH      | 09:00        | Industrial Production YoY    | Jun    |           | 4.8%      | 4.4%     |
| <i>16 - July</i> | CH      | 09:00        | GDP YoY                      | 2Q20   |           | 2.5%      | -6.8%    |
|                  | CH      | 09:00        | Retail Sales YoY             | Jun    |           | 0.2%      | -2.8%    |
|                  | US      | 19:30        | Retail Sales Advance MoM     | Jun    |           | 5.5%      | 17.7%    |
| <b>Friday</b>    | 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 |
|------------------|--------------|--------------------------------|--------|---------|-----------|----------|
| <b>Wednesday</b> | 11:00        | Trade Balance                  | Jun    | \$1267m | \$1200m   | \$2092m  |
| <i>15 - July</i> |              |                                |        |         |           |          |
| <b>Thursday</b>  | 14:20        | Bank Indonesia 7D Reverse Repo | Jul    |         | 4.00%     | 4.25%    |
| <i>16 - July</i> |              |                                |        |         |           |          |

Source: Bloomberg

## Corporate Calendar

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

Source: RTI Analytics

## Research Division

### Head of Research

#### Anggaraksa Arismunandar

Market Strategy, Economy, Misc. Industry  
+62 21 5088 9134 ext. 9134  
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

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

#### Head Office :

District 8 Treasury Tower 51<sup>st</sup>  
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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