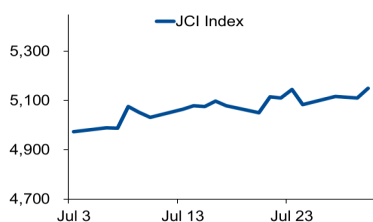


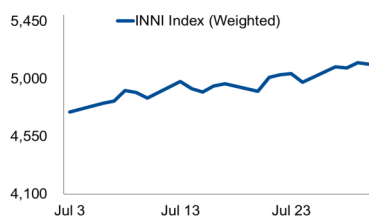
Morning Brief

Daily | August 1, 2020

JCI Movement



INNI Movement



Today's Outlook:

July Inflation Data Release

Wall Street managed to close significantly higher last week. Nasdaq recorded the highest increase of 1.49% in trading (07/31/2020), following the release of good financial performance from technology stocks such as Amazon, Apple and Facebook.

Meanwhile the JCI movement in the beginning of the week will be affected by releases of domestic economic data such as July 2020 inflation and PMI. Consensus estimates that last month's inflation will be at 0.04% monthly and 1.70% YoY.

Company News

- BNGA : Net Profit Down in First Semester
- BBTN : Books Positive Result in 1HY
- TLKM : Aims for Payment Transaction in Smart City
- EXCL : Implements Ericsson Cloud Core 5G

Domestic & Global News

- BI: Economic Liquidity Growth Slows Down in June 2020
- Hong Kong June Retail Sales Plunge 24.8%

Sectors

	Last	Chg.	%
Finance	1,134.92	15.38	1.37%
Miscellaneous Industry	921.73	8.55	0.94%
Consumer Goods Industry	1,886.04	14.46	0.77%
Infrastructure, Utilities, and Transportation	904.06	6.08	0.68%
Property, Real Estate, and Construction	300.49	0.80	0.27%
Agriculture	1,156.32	1.51	0.13%
Basic Industries	752.07	0.44	0.06%
Trade, Services, and Investment	622.99	0.25	-0.04%
Mining	1,370.17	2.15	-0.16%

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 30	5,149.62
Chg.	+38.51pts (+0.75%)
Volume (bn shares)	100.69
Value (IDR tn)	9.41
Adv 165 Dec 262 Unc 278 Untr 122	

INNI Index

Last	5,114.13
Chg.	-11.46pts (-0.22%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
KLBF	+2.6%	WSKT	-5.3%
BBCA	+1.7%	SMGR	-2.6%
TLKM	+1.7%	TINS	-2.6%
ASII	+1.5%	MAPI	-2.1%
BBRI	+1.3%	PTBA	-1.9%

Foreign Transaction

	(IDR bn)
Buy	3,025
Sell	2,975
Net Buy (Sell)	49

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	160.4	TOWR	59.8
UNVR	104.4	MNCN	48.3
TLKM	60.0	BBTN	47.5
BBRI	59.3	TKIM	28.6
PGAS	40.5	MDKA	27.3

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.83%	-0.01%
USDIDR	14,600	0.39%
KRWIDR	12.23	0.33%

Global Indices

Index	Last	Chg.	%
Dow Jones	26,428.32	114.67	0.44%
S&P 500	3,271.12	24.90	0.77%
FTSE 100	5,897.76	(92.23)	-1.54%
DAX	12,313.36	(66.29)	-0.54%
Nikkei	21,710.00	(629.23)	-2.82%
Hang Seng	24,595.35	(115.24)	-0.47%
Shanghai	3,310.01	23.19	0.71%
KOSPI	2,249.37	(17.64)	-0.78%
EIDO	18.74	(0.08)	-0.43%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,975.9	19.2	0.98%
Crude Oil (USD/B)	40.27	0.35	0.88%
ICE NewCastle (USD/ton)	52.70	0.55	1.05%
LME Nickel (USD/MT)	13,786	60.0	0.44%
LME Tin (USD/MT)	17,897	92.0	0.52%
CPO (MYR/ton)	2,677	32.0	1.21%

BNGA : Net Profit Down in First Semester

PT Bank CIMB Niaga Tbk (BNGA) recorded a net profit in 1H20 of IDR1.7 trillion, down 11.2% YoY. The decline in performance was because net interest income down by 1.7% YoY and operating expenses other than interest rose 11.9% YoY. The BNGA strategy during the pandemic is to remain focused on digital engagement for customers through the transactions convenience and the latest i-banking technology, now called OCTO Clicks. (Kontan)

TLKM : Aims for Payment Transaction in Smart City

PT Telekomunikasi Indonesia Tbk (TLKM) provides an application called QRen to support payment transactions using the Quick Response (QR) Code on the Smart City program. QRen is a solution from TLKM as a mobile application that connects sellers and buyers. TLKM hopes that the application can accelerate the Smart City program conducted by the Government. (Kontan)

BBTN : Books Positive Result in 1HY

PT Bank Tabungan Negara Tbk (BBTN) recorded a net profit in 1H20 of IDR768 billion, supported by net interest income of IDR4.43 trillion. The increase in income was due to an increase in lending and financing by 0.32% with mortgages as the main contributor. Amid the pandemic, BBTN will continue to focus on fostering liquidity, which is reflected in the increase of LCR to 132% from 105%. (Kontan)

EXCL : Implements Ericsson Cloud Core 5G

PT XL Axiata Tbk (EXCL) uses Cloud Core 5G technology from Ericsson for eastern Indonesia. Collaboration with Ericsson includes the use of Cloud Packet Core (CPC) and Network Functions Virtualization Infrastructure (NFVI). EXCL hopes that the Ericsson technology will make the company a leader in preparing network performance towards 5G. (Investor Daily)

Domestic & Global News

BI: Economic Liquidity Growth Slows Down in June 2020

Economic liquidity or broad money supply (M2) grew slowly in June 2020. According to Bank Indonesia (BI) records, M2's position last month was IDR6,393.7 trillion or grew by 8.2% yoy, lower than the growth in May 2020 which is 10.4% yoy. The slowing growth in M2 was caused by slowing growth in all its components, both quasi money, money supply in the narrow sense (M1), and securities other than shares. (Kontan)

Hong Kong June Retail Sales Plunge 24.8%

Hong Kong's retail sales plunged 24.8% in June from a year earlier, falling for the 17th consecutive month as the coronavirus pandemic slammed the brakes on tourism and spending in the city. Sales dropped to HK\$26.5 billion (\$3.42 billion), government data showed on Thursday. In May, they tumbled by a revised 32.9% in value. In volume terms, June retail sales fell 25.4%, compared with a revised 34% in May. (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						(14.3)	2,157.1							
BBCA	31,200	33,425	30,100	Hold	(3.5)	1.2	769.2	27.5x	4.5x	17.0	1.8	6.6	(5.0)	1.1
BBRI	3,160	4,400	3,010	Hold	(4.7)	(29.0)	389.8	11.3x	2.2x	18.6	5.3	13.0	(0.3)	1.3
Consumer						(19.9)	1,082.0							
GGRM	49,975	53,000	59,550	Buy	19.2	(33.2)	96.2	9.2x	1.8x	21.0	5.2	1.7	(10.7)	0.9
KINO	3,320	3,430	2,950	Hold	(11.1)	7.1	4.7	17.4x	1.8x	10.7	3.3	(1.3)	(67.6)	0.9
ICBP	9,200	11,150	9,850	Hold	7.1	(15.2)	107.3	18.9x	3.9x	22.6	2.3	6.7	47.8	0.8
KLBF	1,565	1,620	1,630	Hold	4.2	7.6	73.4	27.8x	4.5x	17.0	1.3	3.8	10.3	1.1
Infrastructure						(25.0)	632.73							
TLKM	3,050	3,917	3,800	Buy	24.6	(27.8)	302.1	16.5x	2.8x	17.3	5.1	(1.9)	(5.8)	1.0
JSMR	3,930	5,175	4,550	Buy	15.8	(32.5)	28.5	22.8x	1.5x	6.9	0.4	(51.0)	(90.0)	1.3
Trade						(23.8)	554.0							
UNTR	21,350	21,525	19,000	Hold	(11.0)	(13.1)	79.6	8.1x	1.4x	17.3	5.7	(23.4)	(28.3)	0.9
MAPI	685	1,055	870	Buy	27.0	(30.8)	11.4	14.1x	1.9x	14.0	N/A	(100.0)	(99.9)	1.2
Property						(39.8)	285.0							
CTRA	655	1,040	810	Buy	23.7	(48.6)	12.2	11.5x	0.8x	7.2	1.5	(8.3)	(33.3)	1.5
WSKT	625	1,485	820	Buy	31.2	(66.6)	8.5	32.1x	0.5x	1.5	0.6	(51.9)	(94.1)	1.8
WIKA	1,190	1,990	1,840	Buy	54.6	(47.6)	10.7	5.1x	0.7x	14.3	4.3	(35.4)	(65.3)	1.7
Basic Ind.						(10.2)	604.6							
SMGR	9,225	12,000	10,925	Buy	18.4	(28.8)	54.7	21.3x	1.7x	8.0	0.4	5.6	66.7	1.3
Misc Ind.						(25.7)	280.0							
ASII	5,150	6,925	5,350	Hold	3.9	(27.2)	208.5	9.0x	1.4x	15.9	4.2	(22.7)	16.1	1.3
Mining						(16.2)	316.9							
TINS	760	825	750	Hold	(1.3)	(23.6)	5.7	N/A	1.2x	(22.6)	N/A	(17.3)	N/A	1.5
PTBA	2,030	2,660	2,900	Buy	42.9	(24.5)	23.4	5.9x	1.1x	20.6	16.1	(4.0)	(25.0)	1.1
INCO	3,420	3,640	3,500	Hold	2.3	18.3	34.0	17.0x	1.2x	7.1	N/A	23.3	N/A	1.6
ANTM	730	840	850	Buy	16.4	(18.9)	17.5	N/A	1.0x	(1.4)	0.4	(16.3)	N/A	1.6
Agriculture						(15.0)	73.9							
AALI	9,700	14,575	10,000	Hold	3.1	(1.0)	18.7	33.4x	1.0x	3.0	0.5	6.5	796.6	1.4

* Target Price

Source: Bloomberg, NHKSI Research

INNI Summary

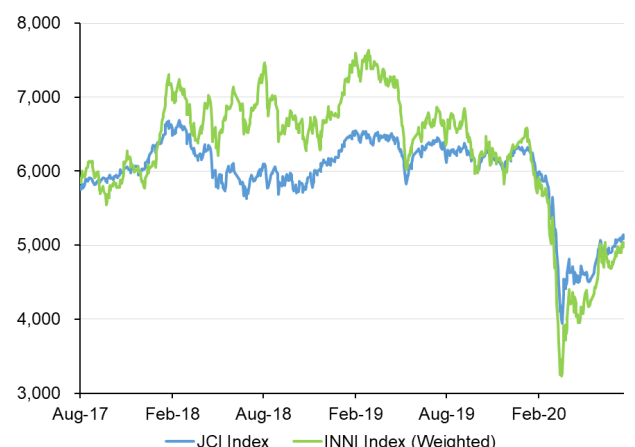
INNI Index Movement

YTD Change	-17.9%
YTD Change Gap (vs JCI)	0.2%
Weekly Change	1.3%
Weekly Change Gap (vs JCI)	1.2%

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
Monday	EC	15:00	M3 Money Supply YoY	Jun	9.2%	9.3%	8.9%
<i>27 - July</i>	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
<i>28 - July</i>							
Wednesday	UK	15:30	Mortgage Approvals	Jun	40.0k	35.0k	9.3k
<i>29 - July</i>	US	18:00	MBA Mortgage Applications	Jul	-0.8%	--	4.10%
Thursday	US	01:00	FOMC Rate Decision (Upper Bound)	Jul	0.25%	0.25%	0.25%
<i>30 - July</i>	GE	14:55	Unemployment Change (000's)	Jul	-18.0k	60.0k	69.0k
	GE	19:00	CPI MoM	Jul	-0.4%	-0.1%	0.6%
	GE	19:00	CPI YoY	Jul	-0.1%	0.5%	0.9%
	US	19:30	GDP Annualized QoQ	2Q20	-32.9%	-34.0%	-5.0%
	US	19:30	Initial Jobless Claims	Jul	1434k	--	1416k
Friday	EC	16:00	GDP SA QoQ	2Q20	-12.1%	-10.7%	-3.6%
<i>31 - July</i>	EC	16:00	GDP SA YoY	2Q20	-15.0%	-13.9%	-3.1%
	US	19:30	Personal Income	Jun	-1.1%	-0.5%	-4.2%
	US	19:30	Personal Spending	Jun	5.6%	5.5%	8.2%
	US	21:00	U. of Mich. Sentiment	Jul	72.5	72.7	73.2

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	RUPS	TOTO, INDX, BLUE, APII
<i>03 - August</i>		
Tuesday	Cum Dividend	UNVR, SMSM, AKRA
<i>04 - August</i>	RUPS	WTON, KIOS, IPCC
Wednesday	Cum Dividend	PGLI, ABDA
<i>05 - August</i>	RUPS	TPIA, SMBR, PURA, PGJO, MTPS, INDO, FORZ, DFAM, DEAL, CLAY, BCIP, APEX, ANDI, ACES
Thursday	Cum Dividend	XCID, SRSN
<i>06 - August</i>	IPO & Warrant Seri 1	TOYS
	RUPS	RUIS, MTLA, BRPT, BAPA, AMFG
Friday	RUPS	SINI, RODA, RMBA, REAL, PEGE, PANI, MLIA, LPGI, BMSR, AMAN
<i>07 - August</i>		

Source: RTI Analytics

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