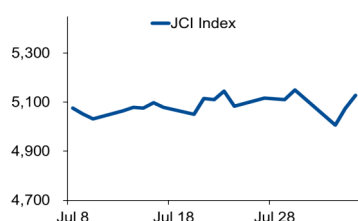
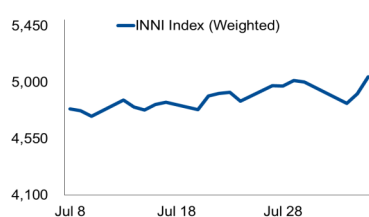


# Morning Brief

## JCI Movement



## INNI Movement



## Today's Outlook:

### Recovery Optimism in the Third Quarter

US market once again showed rally for the fourth day in a row. Investors are enthusiastic in responding to plans of Covid-19 vaccine candidate which is currently ongoing trials. This succeeded in masking the release of employment data which grew far below expectations.

JCI movements today will still be influenced by the market's optimism towards economic recovery in Q3 after the 2Q20 GDP announcement yesterday. Investors have anticipated economic contraction last quarter although the GDP data is lower than expected.

## Company News

- ADRO : Cuts Coal Production
- TBIG : Targeting 3,000 Tenants in 2020
- BBNI : Achieves Rank 1 of MLA
- BBTN : Encourages Relaxation of Subsidized House Rules

## Domestic & Global News

- BPS: Indonesian Economy at Minus 5.32% in 2Q20
- U.S. Trade Deficit Shrinks in June

## Sectors

	Last	Chg.	%
Mining	1,399.66	40.45	2.98%
Infrastructure, Utilities, Transportation	904.22	19.89	2.25%
Consumer Goods	1,911.61	34.78	1.85%
Miscellaneous Industry	905.55	12.40	1.39%
Basic Industries	749.12	6.09	0.82%
Trade, Services, and Investment	615.70	4.70	0.77%
Finance	1,122.59	2.02	0.18%
Property, Real Estate, and Construction	289.25	0.45	0.16%
Agriculture	1,155.13	0.28	-0.02%

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.00%	4.25%	Real GDP	-5.32%	2.97%
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	1.54%	1.96%	Cons. Confidence*	83.80	77.80

## JCI Index

Aug. 5	5,127.05
Chg.	+52.04pts (+1.03%)
Volume (bn shares)	95.64
Value (IDR tn)	9.30
<b>Adv 241 Dec 173 Unc 291 Untr 130</b>	

## Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
KAEF	525.6	BBCA	304.9
BBRI	493.6	ICBP	259.2
MDKA	456.8	TOWR	221.4
BMRI	371.8	INDF	202.9
TLKM	360.8	KLBF	191.1

## Foreign Transaction

(IDR bn)			
Buy		Sell	
Buy		1,913	
Sell		2,347	
Net Buy (Sell)		434	
Top Buy	NB Val.	Top Sell	NS Val.
ICBP	98.6	BMRI	110.8
MDKA	41.3	HMSF	58.2
KLBF	33.0	PWON	53.3
INDF	25.0	BBCA	45.3
ASII	20.1	TLKM	44.5

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.81%	-0.03%
USDIDR	14,550	-0.51%
KRWIDR	12.26	0.12%

## Global Indices

Index	Last	Chg.	%
Dow Jones	27,201.52	373.05	1.39%
S&P 500	3,327.77	21.26	0.64%
FTSE 100	6,104.72	68.72	1.14%
DAX	12,660.25	59.38	0.47%
Nikkei	22,514.85	(58.81)	-0.26%
Hang Seng	25,102.54	155.91	0.62%
Shanghai	3,377.57	5.88	0.17%
KOSPI	2,311.86	31.89	1.40%
EIDO	19.10	0.42	2.25%

## Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	2,038.1	18.9	0.94%
Crude Oil (USD/B)	42.19	0.49	1.18%
ICE NewCastle (USD/ton)	53.40	(0.80)	-1.48%
LME Nickel (USD/MT)	14,419	306.0	2.17%
LME Tin (USD/MT)	17,885	115.0	0.65%
CPO (MYR/ton)	2,717	(51.0)	-1.84%

### **ADRO : Cuts Coal Production**

PT Adaro Energy Tbk (ADRO) will execute the appeal of the Indonesian Coal Mining Association (APBI) to cut its coal production target for this year by around 10% from last year's production realization of 58.03 million tons. The cuts caused by the continuing downward trend in coal prices will be focused on the thermal coal type. (Bisnis Indonesia)

### **BBNI : Achieves Rank 1 of MLA**

PT Bank Negara Indonesia Tbk (BBNI) is at the top of the ranks of syndicated financial institutions in Indonesia or mandated lead arranger (MLA). This achievement shows the consistency of BBNI in distributing large-scale loans which has an impact on BNI's reputation in increasing the trust of customers and banking partners both at home and abroad. (Kontan)

### **TBIG : Targeting 3,000 Tenants in 2020**

PT Tower Bersama Infrastructure Tbk (TBIG) is optimistic that it can achieve its 2020 performance target, following the growth during the first semester which is supported by revenue from tower leases. TBIG targets that by the end of 2020 it can add tenants to a total of 3,000 tenants. As of June, there have been 2,500 tenants with a capex of IDR1 trillion. (Bisnis Indonesia)

### **BBTN : Encourages Relaxation of Subsidized House Rules**

PT Bank Tabungan Negara Tbk (BBTN) encourages the Ministry of Public Works and Public Housing (PUPR) to relax a number of regulations in the construction of subsidized houses. The relaxation is expected to facilitate and accelerate the construction of subsidized houses by developers. The good absorption of subsidized housing will later stimulate the housing sector, which is expected to contribute to the recovery of the national economy. (Kontan)

## Domestic & Global News

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### **BPS: Indonesian Economy at Minus 5.32% in 2Q20**

Indonesian economy in 2Q20 did not successfully grow. Based on calculations by the Central Bureau of Statistics (BPS), Indonesian economy in the second quarter of 2020 booked negative 5.32% YoY. GDP based on existing fixed price in 2020 came at IDR2.589,6 trillion. (Kontan)

### **U.S. Trade Deficit Shrinks in June**

The U.S. trade deficit narrowed in June as exports rebounded following several months of decreases, suggesting an improvement in global demand after being depressed by the COVID-19 pandemic. The Commerce Department said the trade deficit fell to \$50.7 billion from \$54.8 billion. Economists polled by Reuters had forecast the trade gap would narrow to \$50.1 billion in June. (Reuters)

# INNI Components

	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>						(9.9)	2,134.2							
BBCA	31,025	33,425	30,100	Hold	(3.0)	5.5	764.9	27.4x	4.5x	17.0	1.8	6.6	(5.0)	1.1
BBRI	3,080	4,400	3,010	Hold	(2.3)	(24.9)	379.9	11.0x	2.1x	18.6	5.5	13.0	(0.3)	1.3
<b>Consumer</b>						(17.2)	1,096.7							
GGRM	50,700	53,000	59,550	Buy	17.5	(29.5)	97.6	9.4x	1.8x	21.0	5.1	1.7	(10.7)	0.9
KINO	3,330	3,430	2,950	Hold	(11.4)	8.1	4.8	17.4x	1.8x	10.7	3.2	(1.3)	(67.6)	0.9
ICBP	10,550	11,150	9,850	Hold	(6.6)	(2.1)	123.0	21.1x	4.5x	22.6	2.0	4.1	31.2	0.8
KLBF	1,615	1,620	1,630	Hold	0.9	16.6	75.7	28.7x	4.6x	17.0	1.2	3.8	10.3	1.1
<b>Infrastructure</b>						(21.9)	632.84							
TLKM	3,020	3,917	3,800	Buy	25.8	(25.9)	299.2	16.3x	2.8x	17.3	5.1	(1.9)	(5.8)	1.0
JSMR	4,210	5,175	4,550	Hold	8.1	(25.8)	30.6	24.4x	1.6x	6.9	0.4	(51.0)	(90.0)	1.3
EXCL	2,480	3,150	3,350	Buy	35.1	(21.0)	26.6	12.2x	1.3x	11.1	0.8	8.9	2740.0	1.1
TOWR	1,160	805	1,140	Hold	(1.7)	71.9	59.2	22.0x	6.3x	31.1	2.1	21.7	30.0	1.0
PGAS	1,235	2,170	1,400	Hold	13.4	(36.5)	29.9	40.9x	0.8x	1.9	3.4	(0.3)	(26.6)	1.6
<b>Trade</b>						(21.8)	547.6							
UNTR	21,525	21,525	19,000	Hold	(11.7)	(5.4)	80.3	8.2x	1.4x	17.3	5.6	(23.4)	(28.3)	0.9
MAPI	665	1,055	870	Buy	30.8	(30.0)	11.0	419.0x	2.0x	0.5	N/A	(32.2)	N/A	1.2
ERAA	1,515	1,795	2,000	Buy	32.0	(17.7)	4.8	16.2x	1.0x	6.3	N/A	(6.3)	5.9	1.5
<b>Property</b>						(39.3)	274.4							
CTRA	650	1,040	810	Buy	24.6	(46.9)	12.1	11.6x	0.8x	7.0	1.5	(10.8)	(43.8)	1.5
WSKT	625	1,485	820	Buy	31.2	(65.7)	8.5	32.1x	0.5x	1.5	0.6	(51.9)	(94.1)	1.8
WIKA	1,120	1,990	1,840	Buy	64.3	(49.1)	10.0	4.8x	0.7x	14.3	4.5	(35.4)	(65.3)	1.7
PWON	392	570	545	Buy	39.0	(42.8)	18.9	10.3x	1.3x	13.2	1.8	(43.7)	(64.7)	1.5
<b>Basic Ind.</b>						(5.9)	602.2							
SMGR	9,450	12,000	10,925	Buy	15.6	(24.9)	56.1	22.3x	1.7x	8.0	0.4	(2.0)	25.6	1.3
<b>Misc Ind.</b>						(24.5)	274.9							
ASII	5,050	6,925	5,350	Hold	5.9	(25.2)	204.4	8.8x	1.3x	15.9	4.2	(22.7)	16.1	1.3
<b>Mining</b>						(12.5)	323.7							
TINS	760	825	750	Hold	(1.3)	(20.8)	5.7	N/A	1.2x	(22.6)	N/A	(17.3)	N/A	1.5
PTBA	2,040	2,660	2,900	Buy	42.2	(20.0)	23.5	5.9x	1.2x	20.6	16.0	(4.0)	(25.0)	1.1
INCO	3,620	3,640	3,500	Hold	(3.3)	22.7	36.0	18.1x	1.2x	7.1	N/A	23.3	N/A	1.6
ANTM	750	840	850	Hold	13.3	(20.2)	18.0	N/A	1.0x	(0.5)	0.4	(36.0)	(80.2)	1.6
<b>Agriculture</b>						(12.2)	73.8							
AALI	9,750	14,575	10,000	Hold	2.6	-	18.8	33.6x	1.0x	3.0	0.5	6.5	796.6	1.4
LSIP	970	1,485	1,000	Hold	3.1	(6.3)	6.6	19.7x	0.8x	4.0	1.5	(1.9)	550.0	1.6

\* Target Price

Source: Bloomberg, NHKSI Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	ID	07:30	Markit Indonesia PMI Mfg	Jul	46.9	-	39.1
<i>03 - Aug</i>	CH	08:45	Caixin China PMI Mfg	Jul	52.8	51.2	51.2
	ID	11:00	CPI YoY	Jul	1.54%	1.70%	1.96%
	GE	14:55	Markit Germany Manufacturing PMI	Jul	51.0	50.0	50.0
	EC	15:00	Markit Eurozone Manufacturing PMI	Jul	51.8	51.1	51.1
	UK	15:30	Markit UK PMI Manufacturing SA	Jul	53.3	53.6	53.6
	US	20:45	Markit US Manufacturing PMI	Jul	50.9	51.3	51.3
	US	21:00	ISM Manufacturing	Jul	54.2	53.5	52.6
<b>Tuesday</b>	US	21:00	Durable Goods Orders	Jun	7.3%	7.6%	7.3%
<i>04 - Aug</i>							
<b>Wednesday</b>	ID	11:00	GDP YoY	2Q20	-5.32%	-4.49%	2.97%
<i>05 - Aug</i>	US	18:00	MBA Mortgage Applications	Jul	-5.1%	-	-0.8%
<b>Thursday</b>	GE	15:00	Factory Orders MoM	Jun			10.4%
<i>06 - Aug</i>	UK	18:00	Bank of England Bank Rate	Aug			0.1%
	US	19:30	Initial Jobless Claims	Aug			--
<b>Friday</b>	GE	13:00	Industrial Production SA MoM	Jun			7.8%
<i>07 - Aug</i>	US	19:30	Change in Nonfarm Payrolls	Jul			4800k
	US	19:30	Unemployment Rate	Jul			11.1%

Source: Bloomberg

## Corporate Calendar

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

Source: RTI Analytics

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