

# Morning Brief

## JCI Movement



## INNI Movement



## Today's Outlook:

### Trade Balance Announcement

Dow Jones closed slightly lower on (17/08/2020), while the ongoing rally of technology stocks propels Nasdaq to a new record high. Investors are still waiting on new stimulus package agreement which currently still under discussion.

From domestic market, the JCI direction during this short week will be influenced by Trade Balance position and benchmark Rate announcement. Indonesia's trade balance position is estimated to still be in a surplus.

## Company News

- PTPP : Working on Dam Worth IDR656 Billion
- MYOR : Issues Bonds Worth IDR500 Billion
- ADRO : Slashes 2020 Target
- BMRI : Leading Syndicated Market Share in Indonesia

## Domestic & Global News

- Government Debt Financing to Reach IDR1,142.4 Trillion in 2021
- U.S. Business Inventories Decline Further in June

## Sectors

|   | Last     | Chg.  | %      |
|---|----------|-------|--------|
| Mining  | 1,411.04 | 13.21 | 0.95%  |
| Consumer Goods                                | 1,942.85 | 11.21 | 0.58%  |
| Finance                                       | 1,169.65 | 5.30  | 0.46%  |
| Basic Industries                              | 764.09   | 1.16  | 0.15%  |
| Infrastructure, Utilities, and Transportation | 888.13   | 1.33  | -0.15% |
| Miscellaneous Industry                        | 950.12   | 3.08  | -0.32% |
| Agriculture                                   | 1,191.96 | 5.18  | -0.43% |
| Property, Real Estate & Construction          | 293.64   | 2.21  | -0.75% |
| Trade, Services, and Investment               | 626.64   | 7.12  | -1.12% |

## 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)    | 135.10 | 131.70  | Current Acc (USD bn) | (3.92) | (8.08) |
| Trd Balance (USD bn)   | 1.27   | 2.09    | Govt. Spending Yoy   | -6.90% | 3.75%  |
| 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*    | 86.20  | 83.80  |

## JCI Index

|   |                   |
|---|-------------------|
| Aug. 14                                 | 5,247.69          |
| Chg.                                    | +8.44pts (+0.16%) |
| Volume (bn shares)                      | 90.55             |
| Value (IDR tn)                          | 7.95              |
| <b>Adv 170 Dec 243 Unc 294 Untr 127</b> |                   |

## Most Active Stocks

| (IDR bn) |       |        |       |
|----------|-------|--------|-------|
| by Value |       |        |       |
| Stocks   | Val.  | Stocks | Val.  |
| BBCA     | 364.3 | BBNI   | 287.5 |
| KAEF     | 343.8 | TLKM   | 281.1 |
| MNCN     | 339.6 | BMRI   | 200.4 |
| BBRI     | 330.0 | TOWR   | 171.1 |
| MDKA     | 291.7 | ANTM   | 166.0 |

## Foreign Transaction

| (IDR bn) |       |        |       |
|----------|-------|--------|-------|
| by Value |       |        |       |
| Stocks   | Val.  | Stocks | Val.  |
| BBCA     | 104.4 | MNCN   | 112.8 |
| BBRI     | 27.6  | BBNI   | 68.7  |
| TBIG     | 10.6  | FREN   | 52.7  |
| INDF     | 7.9   | UNTR   | 35.3  |
| CPIN     | 7.6   | MDKA   | 31.4  |

## Government Bond Yields & FX

|                | Last   | Chg.   |
|----------------|--------|--------|
| Tenor: 10 year | 6.77%  | -0.01% |
| USDIDR         | 14,795 | 0.14%  |
| KRWIDR         | 12.49  | 0.08%  |

## Global Indices

| Index     | Last      | Chg.     | %      |
|-----------|-----------|----------|--------|
| Dow Jones | 27,844.91 | (86.11)  | -0.31% |
| S&P 500   | 3,381.99  | 9.14     | 0.27%  |
| FTSE 100  | 6,127.44  | 37.40    | 0.61%  |
| DAX       | 12,920.66 | 19.32    | 0.15%  |
| Nikkei    | 23,096.75 | (192.61) | -0.83% |
| Hang Seng | 25,347.34 | 164.33   | 0.65%  |
| Shanghai  | 3,438.80  | 78.70    | 2.34%  |
| KOSPI     | 2,437.53  | 5.18     | 0.21%  |
| EIDO      | 19.62     | 0.19     | 0.98%  |

## Commodities

| Commodity               | Last    | Chg.    | %      |
|-------------------------|---------|---------|--------|
| Gold (USD/t oz)         | 1,985.3 | 40.2    | 2.07%  |
| Crude Oil (USD/B)       | 42.89   | 0.88    | 2.09%  |
| ICE NewCastle (USD/ton) | 51.00   | 0.10    | 0.20%  |
| LME Nickel (USD/MT)     | 14,599  | 233.0   | 1.62%  |
| LME Tin (USD/MT)        | 17,321  | (279.0) | -1.59% |
| CPO (MYR/ton)           | 2,679   | 32.0    | 1.21%  |

### **PTPP : Working on Dam Worth IDR656 Billion**

PT Pembangunan Perumahan Tbk (PTPP) is working on the Manikin Dam project in Manikin river and formed Joint Operations (KSO) with ASHFRI and Minarta. The project is valued at IDR905 billion and PTPP's portion is IDR656 billion with the target of completion in 2022. PTPP hopes that this project can support local community agriculture as irrigation for 1,030 hectares of land. (Kontan)

### **ADRO : Slashes 2020 Target**

PT Adaro Energy Tbk (ADRO) made a number of revisions to targets in 2020 due to the unfavorable coal market. ADRO revised production to 52-54 million tonnes, EBITDA to USD600-USD800 million, and capex to USD200-USD250 million. So far, the coal market is still affected by several coal-consuming countries which have experienced economic downturn due to the Covid-19 pandemic. (Kontan)

### **MYOR : Issues Bonds Worth IDR500 Billion**

PT Mayora Indah Tbk (MYOR) will offer Phase I Sustainable Bonds II with a value of up to IDR500 billion which is part of the MYOR Sustainable Bonds with a total target fund of IDR2 trillion. The bonds' offering period is from 14 August - 25 August 2020 with an IdAA rating from Pefindo. MYOR will use the proceeds from the bond issuance for business loans to Torabika. (Kontan)

### **BMRI : Leading Syndicated Market Share in Indonesia**

PT Bank Mandiri Tbk (BMRI) was ranked first as Mandated Lead Arranger and Book Runner based on the Bloomberg League Table Reports Indonesia Borrower Loans 2020. The top ranking was achieved after BMRI managed to manage syndicated loans with the largest total value of USD1.25 billion. BMRI will continue to improve its capabilities in managing syndicated loans even in the midst of a pandemic. (Kontan)

## Domestic & Global News

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### **Government Debt Financing to Reach IDR1,142.4 Trillion in 2021**

For 2021, the government has determined that debt financing needs will reach IDR1,142.4 trillion. This is stated in the Draft State Revenue and Expenditure Budget (RAPBN) 2021. This amount is recorded to be around 6.4% lower than the debt financing in the 2020 State Budget which amounted to IDR1,220.4 trillion. (Kontan)

### **U.S. Business Inventories Decline Further in June**

U.S. business inventories declined again in June as sales continued to accelerate amid pent-up demand as establishments reopened after being shuttered to slow the spread of the novel coronavirus. Business inventories fell 1.1% in June after decreasing 2.3% in May, the U.S. Commerce Department said on Friday. Inventories, a key component of gross domestic product, have now declined for six straight months. (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>        |            |                        |               |        |                      | (7.7)             | 2,223.8             |                   |              |                      |                        |                      |                    |           |
| BBCA                  | 32,025     | 33,425                 | 30,100        | Hold   | (6.0)                | 7.5               | 789.6               | 28.3x             | 4.7x         | 17.0                 | 1.7                    | 6.6                  | (5.0)              | 1.1       |
| BBRI                  | 3,340      | 4,400                  | 3,010         | Hold   | (9.9)                | (20.7)            | 412.0               | 11.9x             | 2.3x         | 18.6                 | 5.0                    | 13.0                 | (0.3)              | 1.3       |
| <b>Consumer</b>       |            |                        |               |        |                      | (19.4)            | 1,115.1             |                   |              |                      |                        |                      |                    |           |
| GGRM                  | 52,500     | 53,000                 | 59,600        | Hold   | 13.5                 | (31.4)            | 101.0               | 9.7x              | 1.8x         | 21.0                 | 5.0                    | 1.7                  | (10.7)             | 0.9       |
| KINO                  | 3,160      | 3,430                  | 2,950         | Hold   | (6.6)                | 1.9               | 4.5                 | 16.5x             | 1.7x         | 10.7                 | 3.4                    | (1.3)                | (67.6)             | 0.9       |
| ICBP                  | 10,175     | 11,150                 | 9,850         | Hold   | (3.2)                | (12.5)            | 118.7               | 20.3x             | 4.1x         | 22.7                 | 2.1                    | 4.1                  | 31.2               | 0.8       |
| KLBF                  | 1,625      | 1,620                  | 1,630         | Hold   | 0.3                  | 7.6               | 76.2                | 28.9x             | 4.7x         | 17.0                 | 1.2                    | 3.8                  | 10.3               | 1.1       |
| <b>Infrastructure</b> |            |                        |               |        |                      | (26.4)            | 621.58              |                   |              |                      |                        |                      |                    |           |
| TLKM                  | 3,030      | 3,917                  | 3,800         | Buy    | 25.4                 | (28.2)            | 300.2               | 16.2x             | 3.1x         | 19.6                 | 5.1                    | (3.6)                | (0.8)              | 1.0       |
| JSMR                  | 4,060      | 5,175                  | 4,550         | Hold   | 12.1                 | (29.4)            | 29.5                | 23.5x             | 1.6x         | 6.9                  | 0.4                    | (51.0)               | (90.0)             | 1.3       |
| EXCL                  | 2,550      | 3,150                  | 3,350         | Buy    | 31.4                 | (21.5)            | 27.3                | 12.5x             | 1.3x         | 11.1                 | 0.8                    | 8.9                  | 2740.0             | 1.1       |
| TOWR                  | 1,035      | 805                    | 1,140         | Hold   | 10.1                 | 36.2              | 52.8                | 19.7x             | 5.6x         | 31.1                 | 2.3                    | 21.7                 | 30.0               | 1.0       |
| PGAS                  | 1,230      | 2,170                  | 1,400         | Hold   | 13.8                 | (37.2)            | 29.8                | 39.8x             | 0.8x         | 1.9                  | 3.4                    | (0.3)                | (26.6)             | 1.6       |
| TBIG                  | 1,275      | 1,230                  | 1,400         | Hold   | 9.8                  | 45.9              | 28.9                | 28.1x             | 4.9x         | 21.9                 | 2.2                    | 13.2                 | 33.8               | 1.0       |
| <b>Trade</b>          |            |                        |               |        |                      | (21.0)            | 557.5               |                   |              |                      |                        |                      |                    |           |
| UNTR                  | 23,075     | 21,525                 | 19,000        | Sell   | (17.7)               | 12.6              | 86.1                | 8.8x              | 1.5x         | 17.3                 | 5.3                    | (23.4)               | (28.3)             | 0.9       |
| MAPI                  | 690        | 1,055                  | 870           | Buy    | 26.1                 | (31.7)            | 11.5                | 434.7x            | 2.1x         | 0.5                  | N/A                    | (32.2)               | N/A                | 1.2       |
| ERAA                  | 1,680      | 1,795                  | 2,000         | Buy    | 19.0                 | (16.0)            | 5.4                 | 17.9x             | 1.1x         | 6.3                  | N/A                    | (6.3)                | 5.9                | 1.5       |
| <b>Property</b>       |            |                        |               |        |                      | (41.5)            | 278.5               |                   |              |                      |                        |                      |                    |           |
| CTRA                  | 665        | 1,040                  | 810           | Buy    | 21.8                 | (46.2)            | 12.3                | 11.9x             | 0.8x         | 7.0                  | 1.2                    | (10.8)               | (43.8)             | 1.5       |
| WSKT                  | 640        | 1,485                  | 820           | Buy    | 28.1                 | (64.7)            | 8.7                 | 32.8x             | 0.5x         | 1.5                  | 0.5                    | (51.9)               | (94.1)             | 1.8       |
| WIKA                  | 1,185      | 1,990                  | 1,840         | Buy    | 55.3                 | (48.0)            | 10.6                | 5.1x              | 0.7x         | 14.3                 | 4.3                    | (35.4)               | (65.3)             | 1.8       |
| 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>     |            |                        |               |        |                      | (8.8)             | 614.3               |                   |              |                      |                        |                      |                    |           |
| SMGR                  | 9,500      | 12,000                 | 10,925        | Hold   | 15.0                 | (26.4)            | 56.3                | 22.4x             | 1.7x         | 8.0                  | 0.4                    | (2.0)                | 25.6               | 1.3       |
| <b>Misc Ind.</b>      |            |                        |               |        |                      | (18.5)            | 289.2               |                   |              |                      |                        |                      |                    |           |
| ASII                  | 5,375      | 6,925                  | 5,350         | Hold   | (0.5)                | (17.3)            | 217.6               | 9.3x              | 1.4x         | 15.9                 | 4.0                    | (22.7)               | 16.1               | 1.3       |
| <b>Mining</b>         |            |                        |               |        |                      | (12.4)            | 326.3               |                   |              |                      |                        |                      |                    |           |
| TINS                  | 780        | 825                    | 750           | Hold   | (3.8)                | (25.4)            | 5.8                 | N/A               | 1.2x         | (21.4)               | N/A                    | (18.5)               | N/A                | 1.5       |
| PTBA                  | 2,060      | 2,660                  | 2,900         | Buy    | 40.8                 | (15.6)            | 23.7                | 6.0x              | 1.2x         | 20.6                 | 15.8                   | (4.0)                | (25.0)             | 1.1       |
| INCO                  | 3,660      | 3,640                  | 3,500         | Hold   | (4.4)                | 3.1               | 36.4                | 17.9x             | 1.2x         | 7.1                  | N/A                    | 23.3                 | N/A                | 1.6       |
| ANTM                  | 785        | 840                    | 850           | Hold   | 8.3                  | (29.9)            | 18.9                | N/A               | 1.0x         | (0.5)                | 0.4                    | (36.0)               | (80.2)             | 1.5       |
| <b>Agriculture</b>    |            |                        |               |        |                      | (14.0)            | 76.2                |                   |              |                      |                        |                      |                    |           |
| AALI                  | 10,275     | 14,575                 | 14,200        | Buy    | 38.2                 | (6.2)             | 19.8                | 35.4x             | 1.0x         | 3.0                  | 0.5                    | 6.5                  | 796.6              | 1.5       |
| LSIP                  | 995        | 1,485                  | 1,200         | Buy    | 20.6                 | (17.8)            | 6.8                 | 20.2x             | 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>Friday</b>    | CH      | 9:00         | Industrial Production YoY         | Jul    | 4.8%   | 5.1%      | 4.8%     |
| <i>14 - Aug</i>  | EC      | 16:00        | GDP SA QoQ                        | 2Q20   | -12.1% | -12.1%    | -12.1%   |
|                  | EC      | 16:00        | GDP SA YoY                        | 2Q20   | -15.0% | -15.0%    | -15.0%   |
|                  | US      | 19:30        | Retail Sales Advance MoM          | Jul    | 1.2%   | 1.7%      | 7.5%     |
|                  | US      | 20:15        | Industrial Production MoM         | Jul    | 3.0%   | 2.7%      | 5.4%     |
| <b>Tuesday</b>   | US      | 19:30        | Housing Starts                    | Jul    |        | 1230k     | 1186k    |
| <i>18 - Aug</i>  |         |              |                                   |        |        |           |          |
| <b>Wednesday</b> | UK      | 13:00        | CPI MoM                           | Jul    |        | -0.1%     | 0.1%     |
| <i>19 - Aug</i>  | UK      | 13:00        | CPI YoY                           | Jul    |        | 0.5%      | 0.6%     |
|                  | UK      | 13:00        | PPI Output NSA YoY                | Jul    |        | -0.9%     | -0.8%    |
|                  | ID      | 14:20        | Bank Indonesia 7D Reverse Repo    | Aug    |        | 4.0%      | 4.0%     |
|                  | EC      | 16:00        | CPI YoY                           | Jul    |        | 0.4%      | 0.3%     |
|                  | EC      | 16:00        | CPI MoM                           | Jul    |        | -0.3%     | -0.3%    |
| <b>Friday</b>    | GE      | 14:20        | Markit Germany Manufacturing PMI  | Aug    |        | 52        | 51       |
| <i>21 - Aug</i>  | EC      | 15:00        | Markit Eurozone Manufacturing PMI | Aug    |        | 52.6      | 51.8     |
|                  | UK      | 15:30        | Markit UK PMI Manufacturing SA    | Aug    |        | 53.8      | 53.3     |
|                  | US      | 20:45        | Markit US Manufacturing PMI       | Aug    |        | 51.5      | 50.9     |

Source: Bloomberg

## Corporate Calendar

| Date             | Event        | Company  |
|------------------|--------------|--|
| <b>Tuesday</b>   | Cum Dividend | PEGE, LPGI   |
| <i>18 - Aug</i>  | RUPS         | UNIT, STAR, SMKL, MSIN, GDYR, ESTI, DWGL, CSAP, BHIT, BBMD, ADMG,                                    |
| <b>Wednesday</b> | RUPS         | TRIN, SSTM, SKBM, RIGS, PURE, POLY, PCAR, PAMG, META, MDIA, MARI,                                    |
| <i>19 - Aug</i>  |              | MAGP, KMTR, KBLI, JSPT, FMII, ESIP, ERTX, EKAD, DSFI, CPRI, CLPI, CARE, BOGA, BNBA, BIRD, ASSA, ABBA |
| <b>Friday</b>    | RUPS         | PMJS, MKPI, MITI, ICON, CASA, BIKA   |
| <i>21 - Aug</i>  |              |  |

Source: RTI Analytics

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