

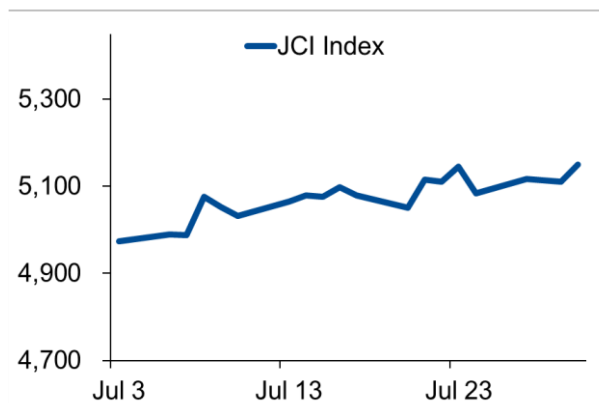
Weekly Brief (Aug 03rd – Aug 07th)

Summary:

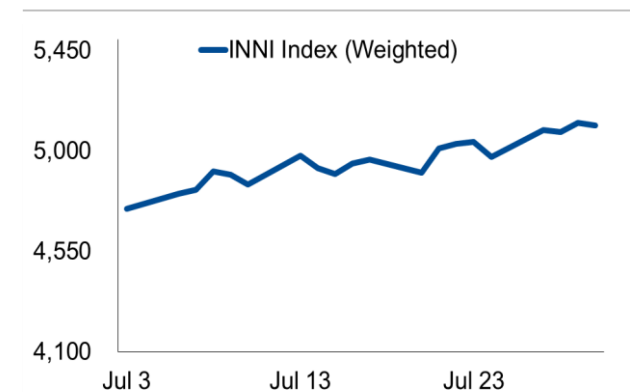
Last week review: IHSG closed in the green throughout last week supported by positive sentiment regarding stimulus given to regions affected by COVID-19, where the funding will be put in Regional Development Bank. Globally, The Fed decided to hold its benchmark interest rate to support the economy.

This week's outlook: Direction of JCI movement this week will be influenced by various domestic economic data. Investors will focus most on the announcement of Indonesia's quarter II/2020 GDP which consensus predicts to contract by -4.49%. With a negative GDP growth for 2 consecutive quarters, Indonesia will officially be in technical recession. Meanwhile, market participants will also pay close attention to the release of Manufacturing PMI figures which are expected to rise, as well as the announcement of inflation projected to remain at a low level or below 2% on an annual basis.

JCI - one month



INNI Index – one month



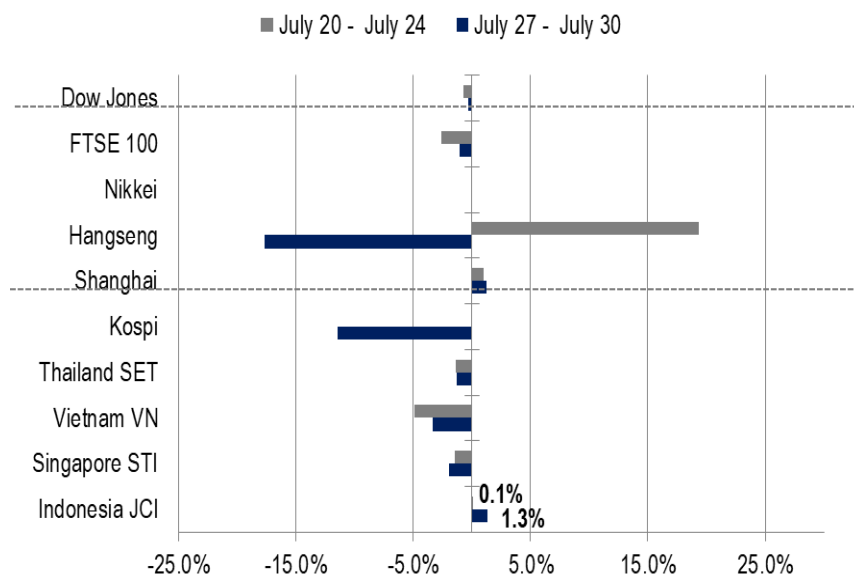
Last Week's JCI Movement

- JCI Index : 5,149.60 (+1.3%)
- Foreign Flow : Net sell of IDR1.1 trillion (vs. last week's net sell of IDR972 billion)
- USD/IDR : 14,600 (+0.07%)
- Yields of sovereign bond with 10-years tenor : 6.827% (-5.90 bps)

JCI Closed Stronger

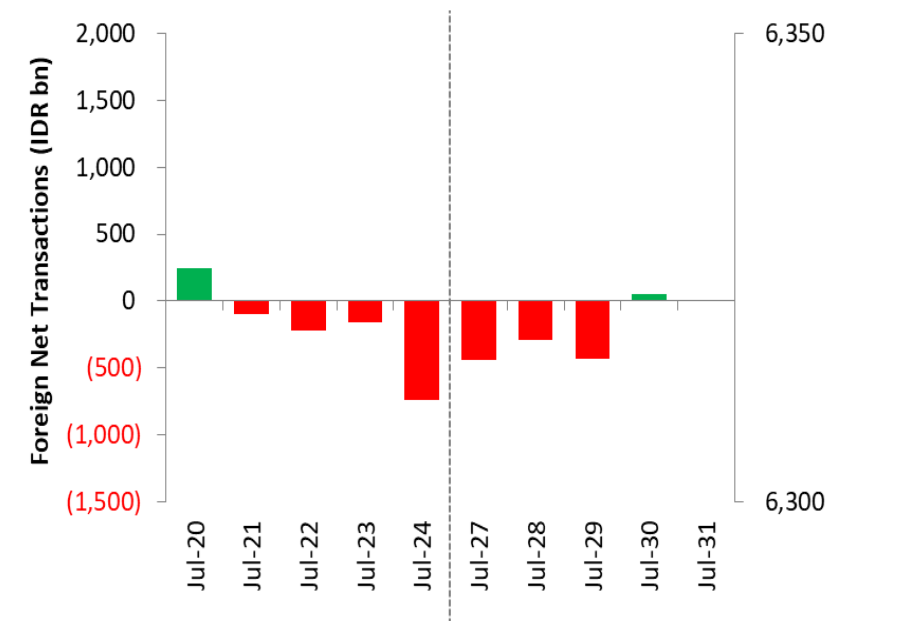
Positive sentiment came from the government program where the central government will place funds in 7 Regional Development Banks (BPD) worth 11.5 trillion. Some of them BJBR amounting to IDR2.5 trillion and the BJTM at IDR2 trillion. This was enough to propel the JCI to close higher at the beginning of last week. However, JCI turned around to record a slight decrease for two consecutive days amid the FOMC's decision to hold interest rates in the target range of 0% - 0.25%. In addition, the Fed also planned to continue to release stimulus in the form of bond purchases and asset-backed securities over the coming months in order to restore the economy from the impact of the pandemic. On the domestic front, the number of COVID-19 positive patients in Indonesia is still recording an upward trend. At the end of last week (07/30), the Jakarta Composite Index successfully closed higher along with a foreign net buy of IDR50 billion. Over the past week, the Jakarta Composite Index closed higher by 1.3% to a level of 5,149.6.

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



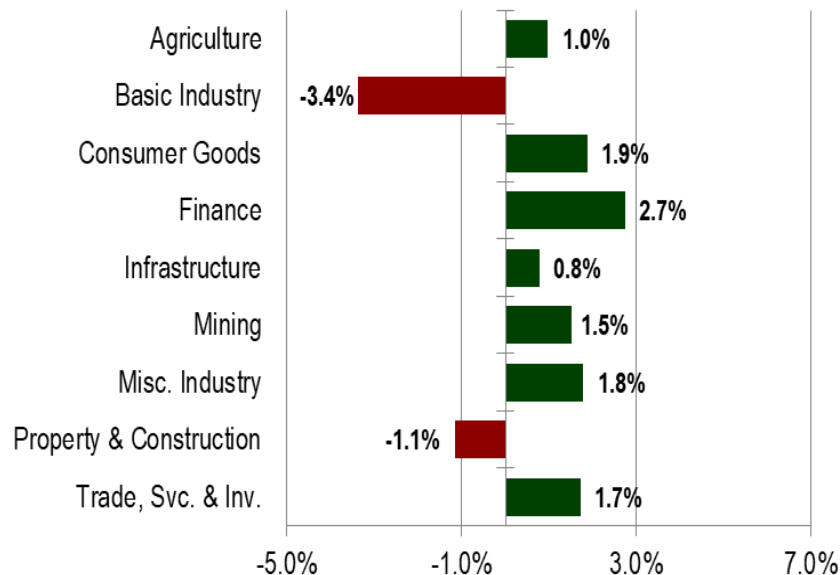
Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

Banking Sector Leads Strengthening

The majority of the JCI sector closed in the green with banking sector posting the highest gain of 2.7%. However, the rally of the banking sector is currently overshadowed by slowing growth in productive credit. Based on data analysis of money supply released on July 30, corporate lending in June 2020 was recorded at 0.7% YoY, compared to 2.9% on May 2020. Meanwhile, the distribution of individual loans was recorded at 2.0% in June 2020, slightly slower compared to May 2020 which reached 2.2%. On the other hand, the development of Third-Party Funds (DPK) in June 2020 recorded a lower growth of 7.6%, compared to May 2020 of 8.2%. On the other side, the basic industry sector posted a decrease of -3.4%. One of the basic industry shares, WSBP, recorded a decline of 1.5% over the past week. Currently, WSBP plans to postpone the payment of the 3rd interest on bonds issued by the company.

JCI Sector Movement



Source: Bloomberg, NHKSI Research

Top 5 Net Foreign Buy and Sell

Top Buy	NB Val.	Top Sell	NS Val.
UNVR	221.1	TOWR	-202.8
BBCA	140.2	MNCN	-132.4
CPIN	79.2	TLKM	-98.6
BBRI	65.6	MIKA	-90.1
PGAS	46.1	TBIG	-85.0

Source: NHKSI Research

Outlook This Week

- Indonesian Manufacturing PMI**

Economic Recovery that occurred in various regions such as China, the US and Europe is expected to be able to boost the value of Indonesia's exports to these destination countries. In addition, Indonesia also has the opportunity to open up export shares to countries with low levels of Covid-19 cases, such as countries in the African continent. Indonesia's PMI Manufacturing figures in June 2020 managed to rise significantly to 39.1; although still far from the ideal level at 50. If the July 2020 PMI data release is able to show an increase, then the figure is expected to be a positive sentiment for the JCI.

- Inflation in July 2020**

Indonesia's inflation for July 2020 is projected to remain quite low. BI estimates that on a monthly basis, inflation in July 2020 will range at 0.04% MoM and on an annual basis at 1.69%. The Bloomberg survey showed almost the same number, namely 1.70%. The low inflation rate is one of the factors that contributed to BI's decision to cut the BI-7DRRR benchmark interest rate to 4.00% at the last Board of Governors' Meeting.

- Indonesia GDP in the Quarter II/ 2020**

Indonesia's economic growth is expected to reach its lowest point in the 2Q20 GDP data which is scheduled to be announced on August 5, 2020. The Ministry of Finance projects economic contraction in the last quarter to be between -3.54% to -5.08%; with a middle rate of -4.3%. As for the consensus, economists project a contraction in the Indonesian economy at - 4.49%. We see that if the GDP data release is later than expected, it will be a good sign for the capital market. However, if the economy slows more than expected, it will potentially suppress the JCI.

PMI Manufacturing



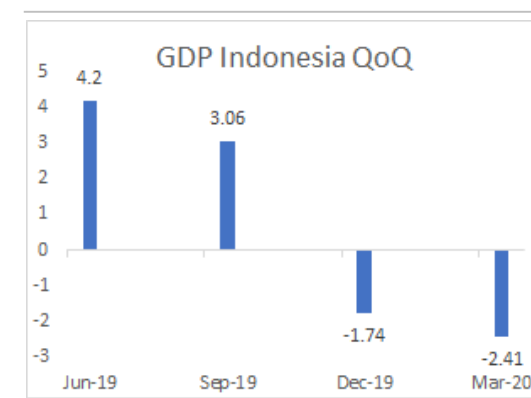
Source: Bloomberg, NHKSI Research

Inflation



Source: Bloomberg, NHKSI Research

GDP Indonesia



Source: Bloomberg, NHKSI Research

Kalender Ekonomi

Date	Country	Hour JKT	Event	Period	Consensus	Previous
Monday, 03-Aug	ID	07:30	Markit Indonesia PMI Mfg	Jul		39.1
	CH	08:45	Caixin China PMI Mfg	Jul	51.2	51.2
	ID	11:00	CPI YoY	Jul	1.70%	1.96%
	GE	14:55	Markit Germany Manufacturing PMI	Jul		50
	EC	15:00	Markit Eurozone Manufacturing PMI	Jul		51.1
	UK	15:30	Markit UK PMI Manufacturing SA	Jul		53.6
	US	20:45	Markit US Manufacturing PMI	Jul		51.3
	US	21:00	ISM Manufacturing	Jul	53.6	52.6
Tuesday, 04-Aug	US	21:00	Durable Goods Orders	Jun		7.3%
Wednesday, 05-Aug	ID	11:00	GDP YoY	2Q20	-4.49%	2.97%
	US	18:00	MBA Mortgage Applications	Jul		-0.8%
Thursday, 06-Aug	GE	15:00	Factory Orders MoM	Jun		10.4%
	UK	18:00	Bank of England Bank Rate	Aug		0.1%
	US	19:30	Initial Jobless Claims	Aug		--
Friday, 07-Aug	GE	13:00	Industrial Production SA MoM	Jun		7.8%
	US	19:30	Change in Nonfarm Payrolls	Jul		4800k
	US	19:30	Unemployment Rate	Jul		11.1%

Source: Bloomberg

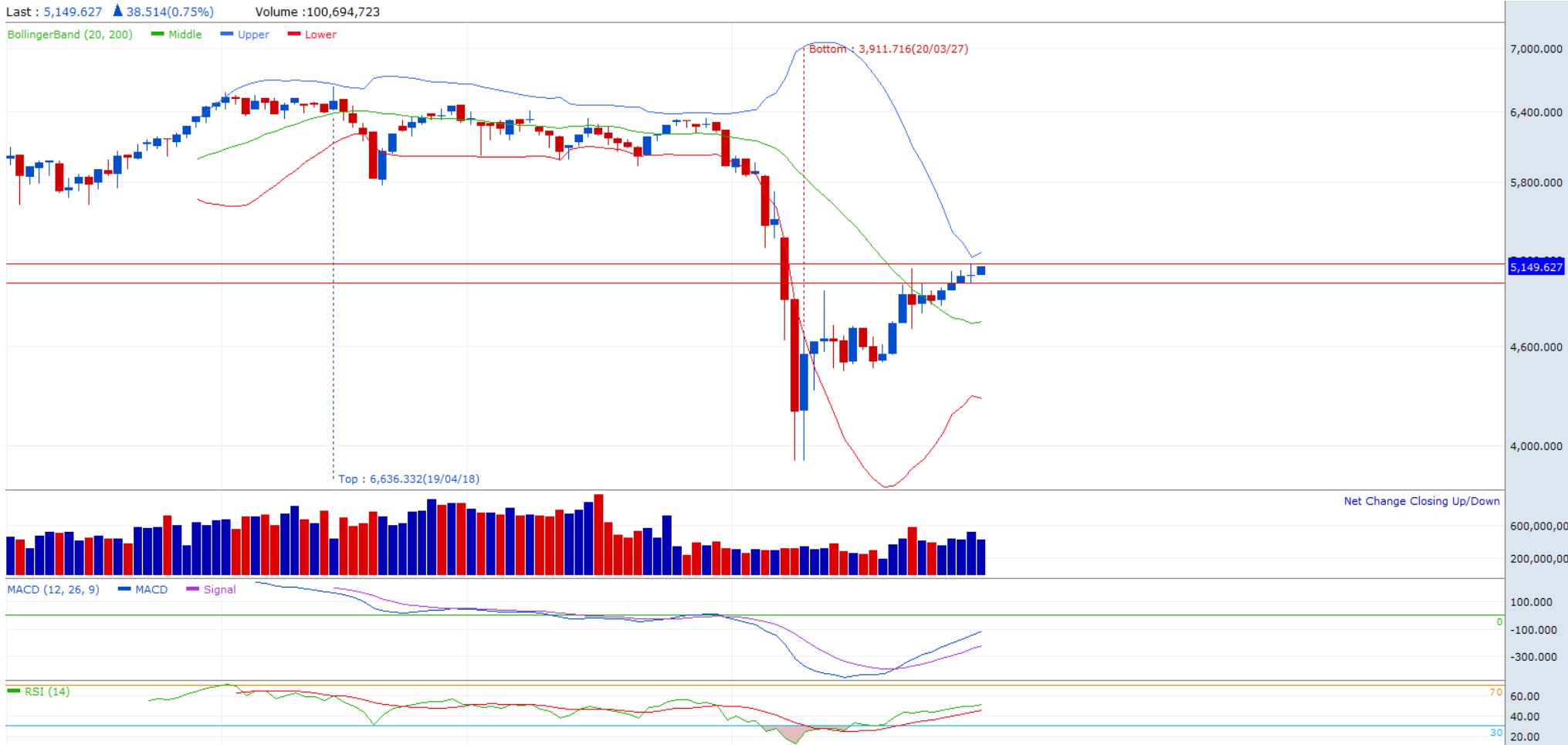
Kalender Aksi Korporasi

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

Source: RTI Analytics

JCI Index

Open	5,082.99	Middle	4,762.83	MACD	-119,197	Support	5,030
High	5,149.63	Upper Limit	5,252.85	RSI	51,40	Resistance	5,160
Low	5,080.12	Lower Limit	4,272.82	SIGNAL	-218,892		
Close	5,149.63	Volume	422,623,040				



INNI Index's Stocks List

	Last Price	Last Week's Price	2020's Price Target	Rating	Upside Potential (%)	One-Week Change (%)	Market Cap. (IDR tn)	Price / EPS (TTM)	Price / BVPS	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth Yoy (%)	EPS Growth Yoy (%)
Finance													
BBCA	30,900	30,500	30,100	Hold	(2.6)	1.3%	769.2	27.5x	4.5x	17.0	1.8	6.6	(5.0)
BBRI	3,130	3,090	3,010	Hold	(3.8)	1.3%	389.8	11.3x	2.2x	18.6	5.3	13.0	(0.3)
Consumer													
GGRM	49,600	47,700	59,550	Buy	20.1	4.0%	96.2	9.2x	1.8x	21.0	5.2	1.7	(10.7)
KINO	3,300	3,350	2,950	Hold	(10.6)	-1.5%	4.7	17.4x	1.8x	10.7	3.3	(1.3)	(67.6)
ICBP	9,150	9,175	9,850	Hold	7.7	-0.3%	107.3	18.9x	3.9x	22.6	2.3	6.7	47.8
KLBF	1,565	1,570	1,630	Hold	4.2	-0.3%	73.4	28.4x	4.5x	16.3	1.3	8.0	12.5
Infrastructure													
TLKM	3,030	3,020	3,800	Buy	25.4	0.3%	302.1	16.5x	2.8x	17.3	5.1	(1.9)	(5.8)
JSMR	3,920	4,040	4,550	Buy	16.1	-3.0%	28.5	22.8x	1.5x	6.9	0.4	(51.0)	(90.0)
Trade													
UNTR	21,250	19,450	19,000	Hold	(10.6)	9.3%	79.6	8.1x	1.4x	17.3	5.7	(23.4)	(28.3)
MAPI	690	690	870	Buy	26.1	0.0%	11.4	14.1x	1.9x	14.0	N/A	(100.0)	(99.9)
Property													
CTRA	660	645	810	Buy	22.7	2.3%	12.2	11.5x	0.8x	7.2	1.5	(8.3)	(33.3)
WSKT	625	710	820	Buy	31.2	-12.0%	8.5	32.1x	0.5x	1.5	0.6	(51.9)	(94.1)
WIKA	1,180	1,230	1,840	Buy	55.9	-4.1%	10.7	5.1x	0.7x	14.3	4.3	(35.4)	(65.3)
Basic Ind.													
SMGR	9,325	9,275	10,925	Buy	17.2	0.5%	54.7	21.3x	1.7x	8.0	0.4	5.6	66.7
Misc Ind.													
ASII	5,100	5,050	5,350	Hold	4.9	1.0%	208.5	9.0x	1.4x	15.9	4.2	(22.7)	16.1
Mining													
TINS	765	680	750	Hold	(2.0)	12.5%	5.7	N/A	1.2x	(22.6)	N/A	(17.3)	N/A
PTBA	2,040	2,070	2,900	Buy	42.2	-1.4%	23.4	5.9x	1.1x	20.6	16.1	(4.0)	(25.0)
INCO	3,430	3,280	3,500	Hold	2.0	4.6%	34.0	17.5x	1.2x	5.6	N/A	23.3	N/A
ANTM	735	685	850	Buy	15.6	7.3%	17.5	N/A	1.0x	(1.4)	0.4	(16.3)	N/A
Agriculture													
AAJI	9,725	9,375	10,000	Hold	2.8	3.7%	18.7	33.4x	1.0x	3.0	0.5	6.5	796.6

Source : Bloomberg, NHKSI Research

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