

Weekly Brief (Aug 18th – Aug 19th)

Summary:

Last week review: JCI managed to be in the green for 5 consecutive days supported by foreign inflow especially on large cap stocks in the banking sector. Meanwhile, the recovering Retail Sales Index and Fitch Rating maintaining “BBB” rating were also positive sentiments for the JCI.

This week’s outlook: JCI market this week is predicted to be rather quiet as there are only two trading days. Investors will wait for the result of the Bank Indonesia Board of Governor meeting to decide the direction of BI-7DRRR. By consensus, BI is forecasted to maintain the current benchmark interest rate level.

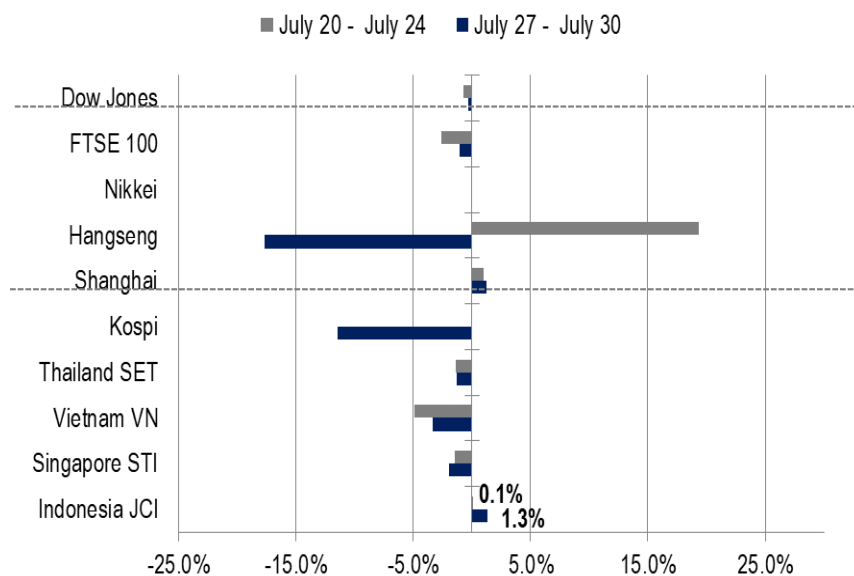
Last Week's JCI Movement

• JCI Index : 5,143.89 (+2.0%)
 Foreign Flow : Net sell of IDR629 billion (vs. last week's net sell of IDR1.9 trillion)
 USD/IDR : 14,600 (+0.07%)

JCI Closed Higher

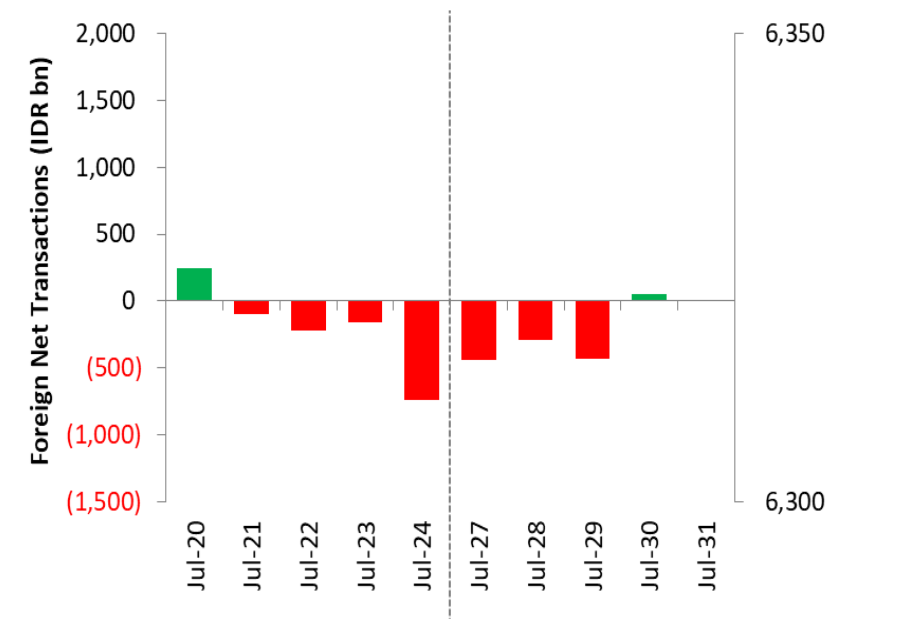
- 10 August - JCI closed higher supported by positive sentiment of Fitch Rating that reaffirms the “BBB” rating for Indonesia with a stable projection. Some factors supporting the ranking are the well medium-term economic growth prospect and relatively low government debt burden.
- 11 August - JCI continued to rally as the release of June 2020 Retail Sales Index (IPR) booked at -17.1% YoY, better than the contraction in May, supported by the Vehicle Fuels, Food, Beverages and Tobacco. Meanwhile, BI also predicted that retail sales is recovering despite being in contraction phase at -12.1% YoY.
- Throughout the week, JCI closed higher for 5 days in a row and received foreign inflow for 3 days (12-14 Aug) amounting to IDR552 billion.

Global Market Movement



Source: Bloomberg, NHKSI Research

Foreign Net Flow – Last 10 Days



Source: Bloomberg, NHKSI Research

Last Week's Sector Movement

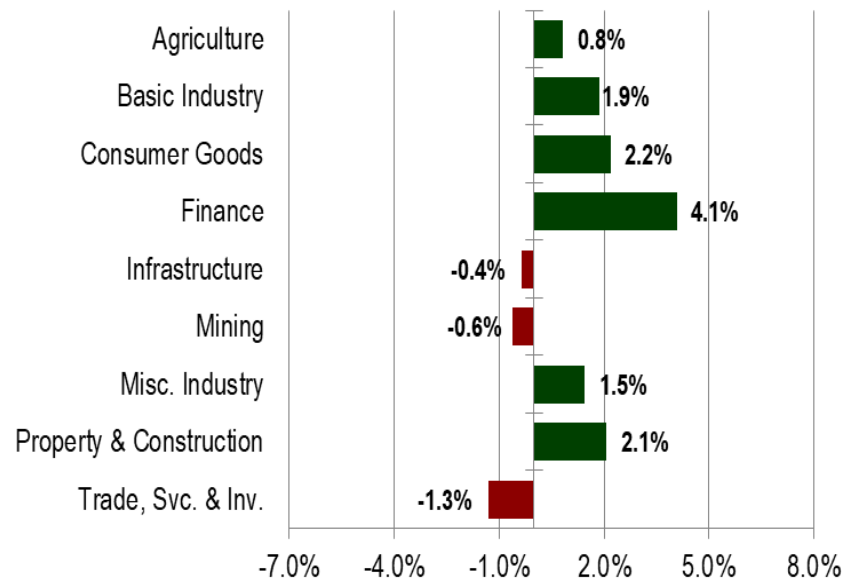
- Banking Sector**

Last week, the banking sector booked the biggest gain of 4.1%. This surge was supported by, among others, sentiment regarding Jokowi's policy on assistance provided to the micro, small and medium enterprises (MSMEs) with total budget of IDR22 trillion. Meanwhile, based on data from OJK, July loan distribution grew 2.26% YoY from the previous 1.49% in June. This growth is supported by government stimulus given through fund placement to the banks.

- Retail Sector**

In the past week, retail sector recorded the highest drop of 1.3%. This was caused by the still weak purchasing power and extension of Large Scale Social Restriction (PSBB) which continues until Q3/20.

JCI Sector Movement



Source: Bloomberg, NHKSI Research

JCI's Top Gainers & Losers

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	473.6	TLKM	-487.1
BBCA	341.0	TOWR	-393.2
BBNI	105.1	FREN	-166.0
ASII	74.2	MNCN	-108.7
INDF	46.9	MDKA	-94.5

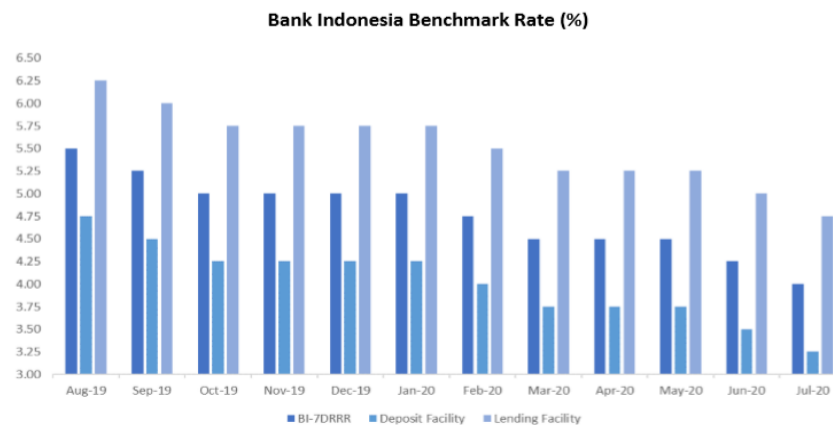
Source: NHKSI Research

Outlook This Week

- **BI-7DRRR Benchmark Interest Rate**

Throughout 2020, Bank Indonesia has cut the BI7-DRRR benchmark interest rate 4 times. This is in line with the government's effort to accelerate national economic recovery. However for August 2020, economist surveys predict that Bank Indonesia will maintain the current rate at level 4.00%

Bank Indonesia Benchmark Rate (%)



Sources: Bloomberg, NHKSI Research

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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

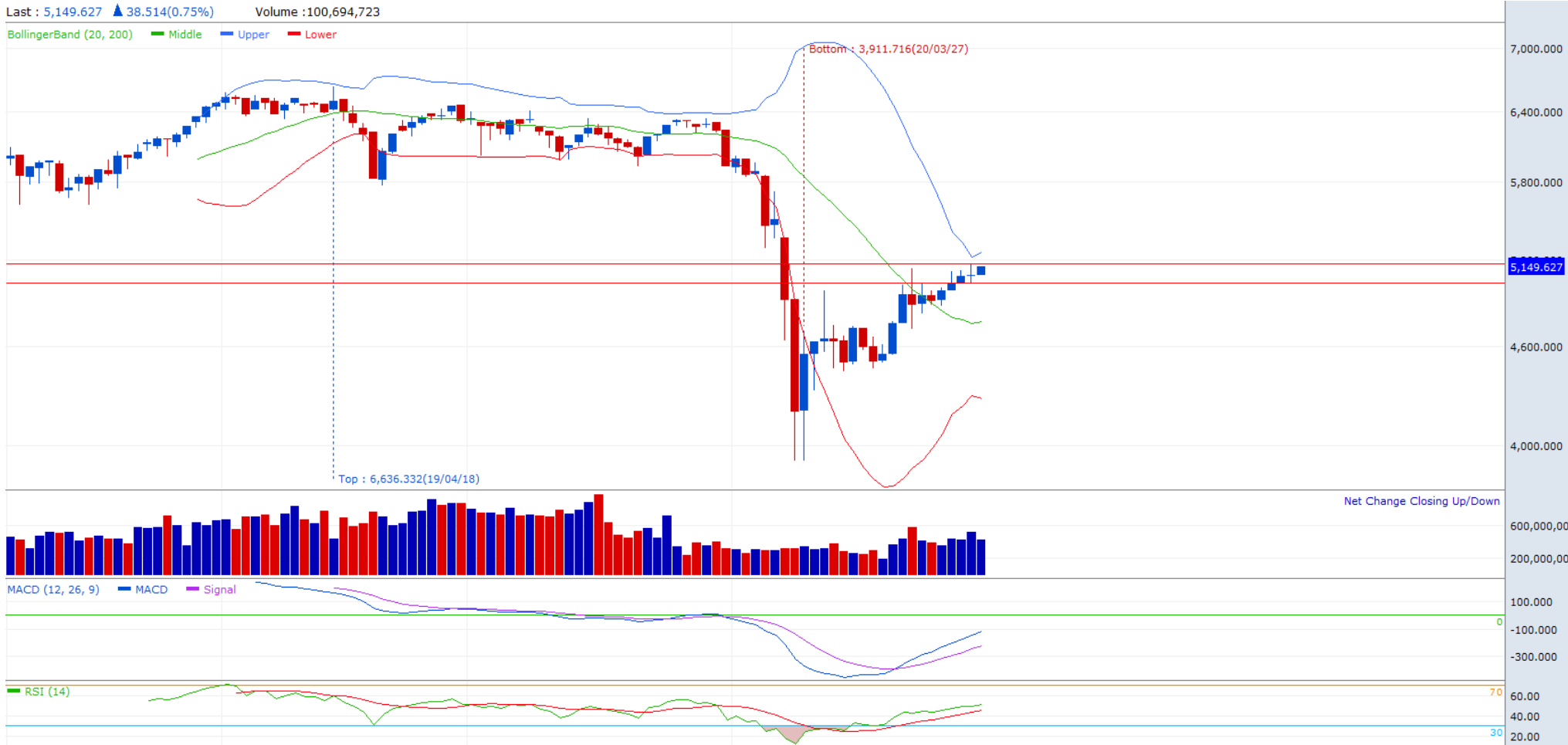
Kalender Aksi Korporasi

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	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						(8.5)	2,213.6							
BBCA	32,025	33,425	30,100	Hold	(6.0)	6.6	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)	(22.9)	412.0	11.9x	2.3x	18.6	5.0	13.0	(0.3)	1.3
Consumer						(17.2)	1,108.7							
GGRM	52,500	53,000	59,600	Hold	13.5	(27.9)	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)	(10.4)	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	9.8	76.2	28.9x	4.7x	17.0	1.2	3.8	10.3	1.1
Infrastructure						(26.5)	622.52							
TLKM	3,030	3,917	3,800	Buy	25.4	(28.4)	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	(29.1)	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	(24.1)	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	38.9	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	(37.6)	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
Trade						(21.5)	563.8							
UNTR	23,075	21,525	19,000	Sell	(17.7)	7.0	86.1	8.8x	1.5x	17.3	5.3	(23.4)	(28.3)	0.9
MAPI	690	1,055	870	Buy	26.1	(33.0)	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	(22.2)	5.4	17.9x	1.1x	6.3	N/A	(6.3)	5.9	1.5
Property						(40.0)	280.6							
CTRA	665	1,040	810	Buy	21.8	(45.0)	12.3	11.9x	0.8x	7.0	1.2	(10.8)	(43.8)	1.5
WSKT	640	1,485	820	Buy	28.1	(65.3)	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	(48.7)	10.6	5.1x	0.7x	14.3	4.3	(35.4)	(65.3)	1.7
PWON	392	570	545	Buy	39.0	(43.6)	18.9	10.3x	1.3x	13.2	1.8	(43.7)	(64.7)	1.5
Basic Ind.						(7.3)	613.3							
SMGR	9,500	12,000	10,925	Hold	15.0	(26.1)	56.3	22.4x	1.7x	8.0	0.4	(2.0)	25.6	1.3
Misc Ind.						(20.4)	289.4							
ASII	5,375	6,925	5,350	Hold	(0.5)	(19.5)	217.6	9.3x	1.4x	15.9	4.0	(22.7)	16.1	1.3
Mining						(12.7)	323.3							
TINS	780	825	750	Hold	(3.8)	(27.1)	5.8	N/A	1.2x	(22.6)	N/A	(17.3)	N/A	1.5
PTBA	2,060	2,660	2,900	Buy	40.8	(15.2)	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)	7.3	36.4	17.9x	1.2x	7.1	N/A	23.3	N/A	1.6
ANTM	785	840	850	Hold	8.3	(29.3)	18.9	N/A	1.0x	(0.5)	0.4	(36.0)	(80.2)	1.6
Agriculture						(15.4)	76.5							
AALI	10,275	14,575	14,200	Buy	38.2	(8.1)	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	(19.4)	6.8	20.2x	0.8x	4.0	1.5	(1.9)	550.0	1.6

Source : Bloomberg, NHKSI Research

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