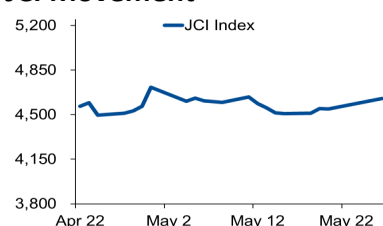
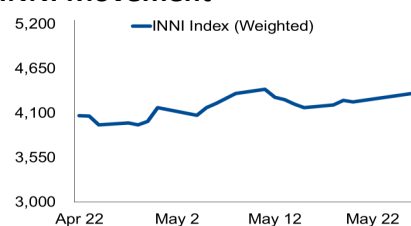


# Morning Brief

## JCI Movement



## INNI Movement



## Market Recap

The JCI closed higher, fueled by gains from banking and basic industry sectors.

**JCI's Top Gainers: Consumer (+6.5%), Basic Ind. (+2.8%), Infrastructure (+2.3%)**

INNI Index gained with contribution from ASII. As a note, ASII has recently received proceeds of IDR16.83 trillion from the sale 44.56% stake at PT Bank Permata Tbk (BNLI) to Bangkok Bank.

## Daily Foreign & Domestic Sector Movement

At Tuesday's market close, foreign investors continue to book net sell of IDR220 billion. Banking stocks such as BBNI recorded the biggest net sell of IDR42 billion. The bank booked a net profit of IDR4.25 trillion in Q1/20 or an increase of 4.3% from Q1/19. On the other hand, consumer stock INDF had a foreign net buy of IDR21 billion. The stock was traded at Lower Auto Reject price as a response to the purchase agreement news between ICBP and Pinehill Corpora Ltd and Steele Lake Limited.

## USD/IDR Highlight

USD/IDR at spot market closed 0.31% lower to IDR14,755/USD.

## Today's Outlook: Plans to Cut Fuel and Electricity Prices for Industry

The DJI rose 529.95 point (+2.17%) to 24,995 on optimism of new corona virus vaccine and the partial reopening of the economy. From domestic news, the JCI movement for today will still be influenced on excitement on New Normal and government's plan to lower fuel and electricity prices for industry. The government has budgeted IDR90.42 trillion which will be allocated as compensations for PT Pertamina (Persero) and PT PLN (Persero).

## Company News

- BBRI : Increase in Transactions Volume during Eid Fitri Period
- CTRA : Anticipates New Normal Adoption
- TLKM : Solid Performance Fueled by Telkomsel and Indihome
- JSMR : Recorded 55,776 Vehicles Entering Jakarta

## Domestic & Global News

- BI Records 2019 Operational Surplus IDR33.35 Trillion
- Germany Recorded a Rise in the Consumer Confidence

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.50%	4.50%	Real GDP	2.97%	4.97%
FX Reserve (USD bn)	127.88	120.97	Current Acc (USD bn)	(3.92)	(8.08)
Trd Balance (USD bn)	(0.34)	0.74	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	-7.02%	-0.20%	FDI (USD bn)	4.51	4.60
Imports Yoy	-18.58%	-0.75%	Business Confidence	104.82	105.33
Inflation Yoy	2.67%	2.96%	Cons. Confidence*	84.80	113.80

## JCI Index

May 26	4,626.79
Chg.	+80.84pts (+1.78%)
Volume (bn shares)	75.61
Value (IDR tn)	8.64
<b>Adv 244 Dec 152 Unc 305 Untr 152</b>	

## INNI Index

Last	4,342.62
Chg.	+104.26pts (+2.46%)

## INNI's Top Gainers & Losers

Gainers	%	Losers	%
ASII	+9.1%	ICBP	-6.8%
CTRA	+7.1%	MAPI	-2.9%
JSMR	+6.5%	KINO	-2.3%
PTBA	+6.3%	KLBF	-1.1%
TINS	+4.8%	AALI	-0.6%

## Foreign Transaction

	(IDR bn)
Buy	4,045
Sell	4,266
Net Buy (Sell)	220

Top Buy	NB Val.	Top Sell	NS Val.
ASII	107.9	BBNI	42.4
BNLI	49.1	MNCN	34.3
BBCA	37.6	BMRI	34.2
INDF	21.1	UNTR	22.5
HMSP	17.0	GGRM	19.1

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.33%	-0.21%
USDIDR	14,755	0.31%
KRWIDR	11.95	1.09%

## Global Indices

Index	Last	Chg.	%
Dow Jones	24,995.11	529.95	2.17%
S&P 500	2,991.77	36.32	1.23%
FTSE 100	6,067.76	74.48	1.24%
DAX	11,504.65	113.37	1.00%
Nikkei	21,271.17	529.52	2.55%
Hang Seng	23,384.66	432.42	1.88%
Shanghai	2,846.55	28.58	1.01%
KOSPI	2,029.78	35.18	1.76%
EIDO	16.49	0.75	4.76%

## Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,710.6	(21.4)	-1.23%
Crude Oil (USD/B)	34.35	1.10	3.31%
ICE NewCastle (USD/ton)	56.80	0.25	0.44%
LME Nickel (USD/MT)	12,341	91.0	0.74%
LME Tin (USD/MT)	15,429	74.0	0.48%
CPO (MYR/ton)	2,167	(40.0)	-1.81%

### **BBRI : Increase in Transactions Volume during Eid Fitri Period**

PT Bank Rakyat Indonesia Tbk (BBRI) recorded an increase of transactions from Laku Pandai Agents specifically from BRILink in the last week. Daily transactions went up from 1.8 million to 2.1 million. This phenomenon was due to the travel restrictions which encouraged people to digitally transferred money to their families back home. (Bisnis Indonesia)

### **TLKM : Solid Performance Fueled by Telkomsel and Indihome**

PT Telekomunikasi Indonesia Tbk (TLKM) booked a FY19 revenue of IDR135.5 trillion or up 3.7% YoY driven by increases in Telkomsel digital business (up 23.1% YoY) and Indihome (up 28.1% YoY). Other factors that contribute to this increase are wider adoption of digital lifestyles and TLKM continued approach to control costs and improve margins. (Kontan)

### **CTRA : Anticipates New Normal Adoption**

PT Ciputra Development Tbk (CTRA) will make adjustments in response to the New Normal policy such as reviewing projects which has not yet started and marketing through online channels. CTRA views that several operational aspects will not be efficient during new normal period and currently reviewing existing properties such as Malls. However, the company still committed to give the best services to its customers. (Kontan)

### **JSMR : Recorded 55,776 Vehicles Entering Jakarta**

PT Jasa Marga Tbk (JSMR) recorded 55,776 vehicles entering Jakarta up until the second day of Eid Mubarak. Traffic from the south of the capital contributes 36% of total vehicles. JSMR still encourages society to limit travels in order to prevent Covid-19 transmission. (Kontan)

## Domestic & Global News

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### **BI Records 2019 Operational Surplus IDR33.35 Trillion**

Bank Indonesia (BI) recorded a tax operating surplus of IDR33.35 trillion in 2019. Exceeds the target of the Bank Indonesia Annual Budget (ATBI) surplus of IDR17.25 trillion. According to BI, the surplus will be used for general reserves and reserve purposes. (Kontan)

### **Germany Recorded a Rise in the Consumer Confidence**

Consumer Confidence increased towards June, previously had dropped in April. Surveys show that Europe's largest economy is slowly recovering from the pandemic effect of COVID19. Based on surveys; GfK Consumer Sentiment Index, around 2,000 Germans in the negative territory increased from -23.1 points to -18.9 points. (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 (%)	Adjusted Beta
<b>Finance</b>						(26.7)	1,713.4							
BBCA	24,850	33,425	32,000	Buy	28.8	(12.6)	612.7	21.4x	3.5x	17.5	2.2	13.7	10.5	1.1
BBRI	2,520	4,400	4,950	Buy	96.4	(35.7)	310.8	9.0x	1.7x	18.6	6.7	13.0	(0.3)	1.3
<b>Consumer</b>						(23.3)	1,052.1							
GGRM	47,500	53,000	61,800	Buy	30.1	(40.5)	91.4	8.3x	1.7x	21.8	5.5	4.1	3.9	1.0
KINO	2,570	3,430	4,680	Buy	82.1	0.8	3.7	13.5x	1.4x	10.5	4.2	11.1	(81.3)	0.9
ICBP	8,950	11,150	12,875	Buy	43.9	(8.4)	104.4	18.4x	3.8x	22.6	1.5	6.7	47.8	0.8
KLBF	1,325	1,620	1,430	Hold	7.9	(1.5)	62.1	24.1x	3.8x	16.3	2.0	8.0	12.5	1.1
<b>Infrastructure</b>						(22.5)	615.86							
TLKM	3,250	3,970	4,700	Buy	44.6	(13.7)	322.0	17.3x	3.2x	18.8	5.0	3.7	3.5	1.0
JSMR	3,940	5,175	6,000	Buy	52.3	(30.9)	28.6	13.0x	1.5x	12.4	1.2	(28.7)	0.2	1.3
<b>Trade</b>						(24.9)	533.7							
UNTR	15,075	21,525	20,000	Buy	32.7	(39.3)	56.2	5.6x	0.9x	16.9	8.2	(19.0)	(40.2)	0.8
MAPI	680	1,055	1,300	Buy	91.2	(19.0)	11.3	12.1x	1.8x	16.1	1.5	14.0	27.3	1.2
<b>Property</b>						(29.5)	294.2							
CTRA	525	1,040	1,550	Buy	195.2	(48.0)	9.7	9.2x	0.7x	7.2	1.9	(8.3)	(33.3)	1.3
WSKT	600	1,485	2,600	Buy	333.3	(66.7)	8.1	8.7x	0.5x	5.2	12.2	(35.7)	(76.3)	1.7
WIKA	1,000	1,990	2,500	Buy	150.0	(54.3)	9.0	3.9x	0.5x	14.6	3.9	(12.7)	32.0	1.7
<b>Basic Ind.</b>						(5.2)	555.4							
SMGR	8,575	12,000	14,300	Buy	66.8	(24.6)	50.9	19.8x	1.5x	8.0	2.4	5.6	66.7	1.3
<b>Misc Ind.</b>						(35.7)	243.4							
ASII	4,330	6,925	8,600	Buy	98.6	(39.2)	175.3	8.2x	1.1x	14.4	4.9	(9.4)	(7.8)	1.3
<b>Mining</b>						(23.8)	292.1							
TINS	482	825	800	Buy	66.0	(59.5)	3.6	N/A	0.7x	(10.7)	5.2	75.2	N/A	1.5
PTBA	2,040	2,660	2,300	Hold	12.7	(29.2)	23.5	5.9x	1.2x	20.6	16.6	(4.0)	(25.0)	1.1
INCO	3,040	3,640	4,200	Buy	38.2	10.5	30.2	19.2x	1.0x	5.6	N/A	38.1	N/A	1.7
ANTM	530	840	1,100	Buy	107.5	(28.4)	12.7	65.7x	0.7x	1.1	2.4	29.4	(88.1)	1.6
<b>Agriculture</b>						(30.3)	61.0							
AALI	6,825	14,575	15,600	Buy	128.6	(34.5)	13.1	24.1x	0.7x	2.9	3.3	13.3	891.7	1.4

\* Target Price for December 2020

Source: Bloomberg, NHKSI Research

## INNI Summary

### INNI Index Movement

YTD Change	-30.2%
YTD Change Gap (vs JCI)	-3.8%
Weekly Change	3.2%
Weekly Change Gap (vs JCI)	0.7%

### 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
<b>Monday</b>	GE	15.00	IFO Business Climate	May	79.5	78.5	74.3
25 - May	GE	15.00	IFO Expectations	May	80.1	75	69.4
<b>Tuesday</b>	US	21.00	New Home Sales	Apr	623k	480k	627k
26 - May	US	21.00	Conf. Board Consumer Confidence	May	86.6	87	86.9
<b>Wednesday</b>	US	18.00	MBA Mortgage Applications	May		-	-2.6%
27 - May							
<b>Thursday</b>	GE	19.00	CPI MoM	May		-0.1%	0.4%
28 - May	GE	19.30	CPI YoY	May		0.6%	0.9%
	US	19.30	GDP Annualized QoQ	1Q20		-4.8%	-4.8%
	US	19.30	Durable Goods Orders	Apr		-19.8%	-14.7%
	US	19.30	Initial Jobless Claims	May		2100k	2438k
<b>Friday</b>	EC	15.00	M3 Money Supply YoY	Apr		8.2%	7.5%
29 - May	US	19.30	Wholesale Inventories MoM	Apr		-0.5%	-0.8%
	US	19.30	Personal Income	Apr		-6.5%	-2.0%
	US	19.30	Personal Spending	Apr		-12.8%	-7.5%
	US	20.45	MNI Chicago PMI	May		40	35.4
	US	21.00	U. of Mich. Sentiment	May		74	73.7

Source: Bloomberg

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