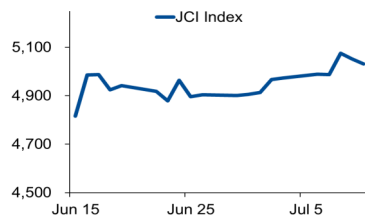


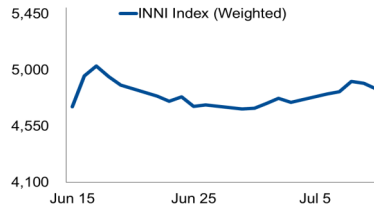
# Morning Brief

Daily | July 13, 2020

## JCI Movement



## INNI Movement



## Today's Outlook:

### Awaiting Trade Balance Data

US indices closed stronger at the end of market last week, partly because they responded to news of positive developments of Covid-19 antiviral drugs. Over the past week, the Dow Jones rose 1 percent, while the Nasdaq jumped by 4%.

JCI movement this week will be influenced by the release of some economic data such as the trade balance and the announcement of the BI-7DRRR benchmark interest rate. But the sharp increase in new cases of Covid-19 will aggravate the JCI step this week.

## Company News

- PTBA : Pursuing New Mining Land
- WSKT : Strategy to Maintain Debt Ratio
- BBRI : Targets Working Capital Loan Up by 5%

## Domestic & Global News

Central Government Expenditures Grew 6% Throughout the First Half of 2020  
China Bank Lending Hits Record \$1.72 Trillion in First Half after Solid June

## Sectors

	Last	Chg.	%
Property, Real Estate and Construction	316.05	3.79	-1.19%
Miscellaneous Industry	872.39	10.01	-1.14%
Consumer Goods	1,799.02	18.27	-1.01%
Agriculture	1,053.80	9.89	-0.93%
Infrastructure, Utilities and Transportation	893.84	4.99	-0.56%
Mining	1,284.56	7.04	-0.55%
Trade, Services and Investment	603.26	3.79	-0.54%
Basic Industries	760.57	2.70	-0.35%
Finance	1,112.20	1.60	0.14%

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	4.50%	Real GDP	2.97%	4.97%
FX Reserve (USD bn)	131.70	130.50	Current Acc (USD bn)	(3.92)	(8.08)
Trd Balance (USD bn)	2.09	(0.34)	Govt. Spending Yoy	3.74%	0.48%
Exports Yoy	-28.95%	-7.02%	FDI (USD bn)	4.51	4.60
Imports Yoy	-42.20%	-18.58%	Business Confidence	104.82	105.33
Inflation Yoy	1.96%	2.19%	Cons. Confidence*	83.80	77.80

## JCI Index

July 10	5,031.25
Chg.	-21.53pts (-0.43%)
Volume (bn shares)	89.60
Value (IDR tn)	6.64
<b>Adv 142 Dec 260 Unc 303 Untr 153</b>	

## INNI Index

Last	4,849.66
Chg.	-44.22pts (-0.90%)

## INNI's Top Gainers & Losers

Gainers	%	Losers	%
BBCA	+1.6%	KLBF	-3.9%
		CTRA	-3.7%
		UNTR	-2.8%
		WIKA	-2.4%
		PTBA	-1.4%

## Foreign Transaction

	(IDR bn)
Buy	1,716
Sell	1,620
Net Buy (Sell)	96

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	146.8	ASII	23.4
UNVR	25.3	INDF	19.2
BBRI	21.9	BBTN	19.1
CPIN	21.1	TLKM	18.3
MDKA	19.4	PWON	12.2

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.08%	-0.03%
USDIDR	14,435	0.28%
KRWIDR	12.01	-0.37%

## Global Indices

Index	Last	Chg.	%
Dow Jones	26,075.30	369.21	1.44%
S&P 500	3,185.04	32.99	1.05%
FTSE 100	6,095.41	45.79	0.76%
DAX	12,633.71	144.25	1.15%
Nikkei	22,290.81	(238.48)	-1.06%
Hang Seng	25,727.41	(482.75)	-1.84%
Shanghai	3,383.32	(67.27)	-1.95%
KOSPI	2,150.25	(17.65)	-0.81%
EIDO	19.01	(0.06)	-0.31%

## Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,798.7	(4.9)	-0.27%
Crude Oil (USD/B)	40.55	0.93	2.35%
ICE NewCastle (USD/ton)	54.00	(0.55)	-1.01%
LME Nickel (USD/MT)	13,515	266.0	2.01%
LME Tin (USD/MT)	17,310	(30.0)	-0.17%
CPO (MYR/ton)	2,412	9.0	0.37%

### **PTBA : Pursuing New Mining Land**

PT Bukit Asam Tbk (PTBA) is preparing to acquire the mining land owned by Asmindo Koalindo Tuhup (AKT) which is still under evaluation by the Government. The acquisition was planned because PTBA had considered the resources and the amount of coal reserves will benefit the company. The mining land owned by AKT produces coke coal at a premium price. (Kontan)

### **WSKT : Strategy to Maintain Debt Ratio**

PT Waskita Karya Tbk (WSKT) prepared a strategy to change the project contracts from the turnkey model to progress payment. The purpose is to change the contract pattern so that the company's DER level can shrink and to renegotiate existing projects. In addition, WSKT will also try to expand to run overseas projects in addition to internal projects from the Government. (Kontan)

### **BBRI : Targets Working Capital Loan Up by 5%**

PT Bank Rakyat Indonesia Tbk (BBRI) targets working capital loans in 2020 to grow by 5% YoY considering that the economic activity is beginning to recover. BBRI is also confident that the government's program for MSMEs and the placement of state funding in Himbara banks will further support the credit. BBRI will also continue to focus on targeting MSMEs that are minimally exposed to the pandemic as lending targets. (Kontan)

## Domestic & Global News

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### **Central Government Expenditures Grew 6% Throughout the First Half of 2020**

The Ministry of Finance (Kemenkeu) noted that the realization of central government spending throughout the first half of 2020 amounted to IDR668.5 trillion. This realization is equivalent to 33.8% of the APBN-Perpres 72/2020 ceiling of IDR1,975.2 trillion. The Minister of Finance explained that the central government spending in the first semester increased by 6% when compared to the realization in the previous year period of Rp630.8 trillion. (Kontan)

### **China Bank Lending Hits Record \$1.72 Trillion in First Half after Solid June**

New bank lending in China rose 22.3% in June as authorities continued to boost credit and ease policy to get the world's second-largest economy humming again after a sharp coronavirus-induced contraction. Chinese banks extended 1.81 trillion yuan (204 billion pounds) in new yuan loans in June, up from 1.48 trillion yuan in May and slightly exceeding analysts' expectations, according to data released by the People's Bank of China (PBOC) on Friday. (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 (%)	Adj. Beta
<b>Finance</b>						(15.8)	2,108.1							
BBCA	31,000	33,425	28,950	Hold	(6.6)	3.2	764.3	26.3x	4.5x	17.6	1.8	13.9	8.5	1.1
BBRI	3,110	4,400	3,010	Hold	(3.2)	(31.0)	383.6	11.1x	2.2x	18.6	5.4	13.0	(0.3)	1.3
<b>Consumer</b>						(23.1)	1,032.1							
GGRM	46,875	53,000	59,550	Buy	27.0	(36.7)	90.2	8.2x	1.7x	21.8	5.5	4.1	3.9	0.9
KINO	3,300	3,430	2,950	Hold	(10.6)	17.0	4.7	17.4x	1.7x	10.5	3.3	11.1	(81.3)	0.9
ICBP	9,225	11,150	9,850	Hold	6.8	(10.2)	107.6	18.9x	3.9x	22.6	1.5	6.7	47.8	0.8
KLBF	1,470	1,620	1,630	Hold	10.9	7.3	68.9	26.7x	4.2x	16.3	1.4	8.0	12.5	1.1
<b>Infrastructure</b>						(26.8)	625.57							
TLKM	3,110	3,917	3,800	Buy	22.2	(24.6)	308.1	16.8x	2.9x	17.3	5.0	(1.9)	(5.8)	1.0
JSMR	4,410	5,175	4,600	Hold	4.3	(21.9)	32.0	14.5x	1.6x	12.0	0.3	(45.3)	0.5	1.3
<b>Trade</b>						(26.1)	536.5							
UNTR	17,925	21,525	19,000	Hold	6.0	(35.6)	66.9	6.6x	1.1x	16.9	6.8	(19.0)	(40.2)	0.9
MAPI	715	1,055	820	Hold	14.7	(23.1)	11.9	14.9x	2.0x	14.0	N/A	0.6	N/A	1.2
<b>Property</b>						(36.1)	299.8							
CTRA	650	1,040	810	Buy	24.6	(45.4)	12.1	11.4x	0.8x	7.2	1.5	(8.3)	(33.3)	1.5
WSKT	715	1,485	960	Buy	34.3	(65.0)	9.7	36.7x	0.6x	1.5	0.5	(51.9)	(94.1)	1.8
WIKA	1,240	1,990	1,840	Buy	48.4	(46.3)	11.1	5.3x	0.8x	14.3	4.1	(35.4)	(65.3)	1.7
<b>Basic Ind.</b>						(4.7)	611.4							
SMGR	9,425	12,000	10,925	Buy	15.9	(24.0)	55.9	21.8x	1.7x	8.0	0.4	5.6	66.7	1.3
<b>Misc Ind.</b>						(33.4)	265.0							
ASII	4,830	6,925	5,800	Buy	20.1	(35.2)	195.5	9.2x	1.3x	14.4	4.4	(9.4)	(7.8)	1.3
<b>Mining</b>						(21.4)	296.6							
TINS	625	825	830	Buy	32.8	(38.1)	4.7	N/A	1.0x	(22.6)	N/A	5.2	N/A	1.5
PTBA	2,070	2,660	2,900	Buy	40.1	(27.1)	23.8	6.0x	1.2x	20.6	15.8	(4.0)	(25.0)	1.1
INCO	3,090	3,640	3,500	Hold	13.3	3.0	30.7	19.9x	1.1x	5.6	N/A	38.1	N/A	1.6
ANTM	645	840	600	Hold	(7.0)	(23.7)	15.5	N/A	0.9x	(1.4)	0.4	(16.3)	N/A	1.6
<b>Agriculture</b>						(23.5)	67.3							
AALI	8,475	14,575	10,000	Buy	18.0	(16.5)	16.3	29.9x	0.9x	2.9	0.6	13.3	891.7	1.4

\* Target Price for December 2020

Source: Bloomberg, NHKSI Research

## INNI Summary

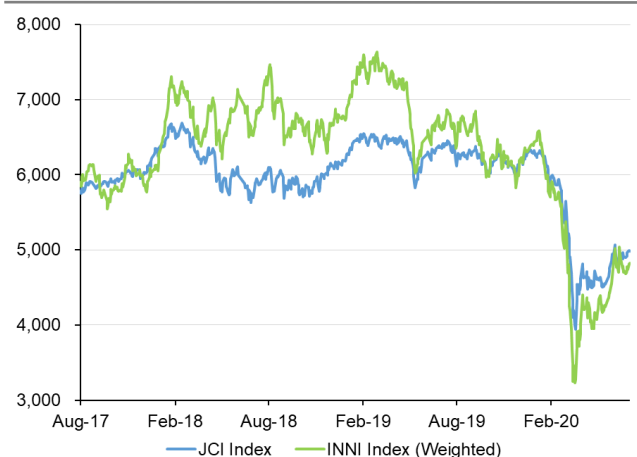
### INNI Index Movement

YTD Change	-22.1%
YTD Change Gap (vs JCI)	-2.1%
Weekly Change	2.3%
Weekly Change Gap (vs JCI)	1.2%

### 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	13.00	Factory Orders MoM	May	10.4%	15.4%	-25.8%
<i>06 - July</i>	UK	15.30	Markit/CIPS UK Construction PMI	June	55.3	46	28.9
	US	20.45	Markit US Services PMI	June	47.9	47	46.7
	US	20.45	Markit US Composite PMI	June	47.9	-	46.8
	US	21.00	ISM Non-Manufacturing Index	June	57.1	50	45.4
<b>Tuesday</b>	GE	13.00	Industrial Production SA MoM	May	7.8%	11.0%	-17.9%
<i>07 - July</i>							
<b>Wednesday</b>	US	18.00	MBA Mortgage Applications	July	2.2%	-	-1.8%
<i>08 - July</i>							
<b>Thursday</b>	CH	08.30	PPI YoY	June	-3.0%	-3.2%	-3.7%
<i>09 - July</i>	CH	08.30	CPI YoY	June	2.5%	2.5%	2.4%
	US	19.30	Initial Jobless Claims	July	1314k	1375k	1427k
	US	21.00	Wholesale Inventories MoM	May	-1.2%	-1.2%	-1.2%
<b>Friday</b>	US	19.30	PPI Final Demand MoM	June	-0.2%	0.4%	0.4%
<i>10 - July</i>							

Source: Bloomberg

## Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Tuesday</b>	10.00	Foreign Reserves	June	\$131.70	-	\$130.50
<i>07 - July</i>						

Source: Bloomberg

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