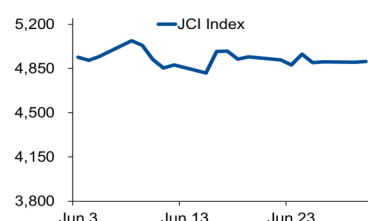


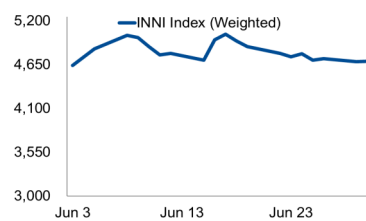
Morning Brief

Daily | July 01, 2020

JCI Movement



INNI Movement



Today's Outlook:

Dow Jones Quarterly Record and June Inflation

Dow Jones and the S&P 500 posted gains on trading days in the II/2020 quarter. With this increase, the Dow Jones Index posted a total growth of 18% during the April-June 2020 period and became the highest quarterly increase since 1987. One of the driving factors was the US Consumer Confidence Index (CCI) which surged in June to 98.1 from 85.9 in the previous month.

Domestically the JCI movement will be largely influenced by the release of June inflation data. Meanwhile, yesterday's SUN bond auction results which are still in line with the government targets can also give positive impact to the exchange.

Company News

- WIKA : Fitch Maintains Credit Rating
- UNTR : Gold Sales Soars
- TLKM : First Quarter Profit Decreased
- ANTM : Smelter Project Stalled by Electrical Supply

Domestic & Global News

- BI Records Third Party Funding to Grow by 8.2% in May 2020
- Saudi Arabia's Economy Contracts by 1% in First Quarter amid Oil Plunge

Sectors

	Last	Chg.	%
Agriculture	1,015.04	12.48	1.23%
Basic Industry and Chemicals	713.06	8.03	1.13%
Finance	1,051.27	8.32	0.79%
Trade, Service and Investment	603.40	2.74	0.45%
Consumer Goods	1,803.16	2.26	-0.13%
Miscellaneous Industry	868.73	1.61	-0.19%
Mining	1,288.15	4.19	-0.34%
Property and Construction	324.54	2.50	-0.77%
Infrastructure, Utilities, and Transportation	906.23	23.05	-2.54%

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)	130.50	127.88	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	2.19%	2.67%	Cons. Confidence*	77.80	84.80

JCI Index

June 30	4,905.39
Chg.	+3.57pts (+0.07%)
Volume (bn shares)	79.77
Value (IDR tn)	6.89
Adv 180 Dec 227 Unc 295 Untr 139	

INNI Index

Last	4,693.83
Chg.	8.48pts (+0.18%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
ANTM	+1.7%	TLKM	-4.1%
SMGR	+1.6%	UNTR	-0.9%
KINO	+1.5%	TINS	-0.8%
KLBF	+1.4%	CTRA	-0.8%
AALI	+1.2%	PTBA	-0.5%

Foreign Transaction

	(IDR bn)
Buy	2,192
Sell	2,681
Net Buy (Sell)	489

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	39.7	TLKM	217.2
ICBP	31.9	BBRI	32.5
BNLI	30.2	ADRO	30.5
PTPP	7.5	ASII	29.9
WIKA	7.2	INDF	27.2

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.21%	-0.02%
USDIDR	14,265	0.14%
KRWIDR	11.87	0.00%

Global Indices

Index	Last	Chg.	%
Dow Jones	25,812.88	217.08	0.85%
S&P 500	3,100.29	47.05	1.54%
FTSE 100	6,169.74	(56.03)	-0.90%
DAX	12,310.93	78.81	0.64%
Nikkei	22,288.14	293.10	1.33%
Hang Seng	24,427.19	125.91	0.52%
Shanghai	2,984.67	23.16	0.78%
KOSPI	2,108.33	14.85	0.71%
EIDO	18.00	(0.33)	-1.80%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,781.0	8.1	0.46%
Crude Oil (USD/B)	39.27	(0.43)	-1.08%
ICE NewCastle (USD/ton)	65.25	0.05	0.08%
LME Nickel (USD/MT)	12,805	(1.0)	-0.01%
LME Tin (USD/MT)	16,722	(53.0)	-0.32%
CPO (MYR/ton)	2,297	(44.0)	-1.88%

WIKA : Fitch Maintains Credit Rating

PT Wijaya Karya Tbk (WIKA) received a rating from Fitch for the long-term foreign currency and local currency rating at BB and AA- for the long-term national ranking. The rating given by Fitch can increase investor confidence in WIKA during pandemic conditions. Although the project is not yet running fully normally, WIKA will continue to complete toll road projects in Jakarta and Kalimantan this year. (Bisnis Indonesia)

TLKM : First Quarter Profit Decreased

PT Telekomunikasi Indonesia Tbk (TLKM) recorded a 1Q20 net profit of Rp5.8 trillion, slightly lower by 5.8% YoY. In 1Q20, the Telkomsel Digital Business and Fixed Broadband Indihome are the performance supporters with growth of 16% and 19% YoY respectively. TLKM is optimistic that the pandemic situation will change lifestyles to adopt digital technology, which will benefit TLKM. (Kontan)

UNTR : Gold Sales Soars

PT United Tractors Tbk (UNTR) recorded sales of the gold segment in May to be 40,000 ounces, increased by 122% MoM. According to UNTR, the increase is due to the backlog process during the large scale social restrictions which are finally realized in May 2020. As since the beginning of the year, UNTR has sold 153,000 ounces of gold with a sales target for the gold segment in 2020 of 360,000 to 370,000 ounces. (Kontan)

ANTM : Smelter Project Stalled by Electrical Supply

PT Aneka Tambang Tbk (ANTM) stated that the ferronickel smelter construction project in East Halmahera had reached 97% but still had constraints on the supply of electricity to operate. MIND ID as the mining holding assigns ANTM and PLN to coordinate on the obstacle. Meanwhile, the ANTM ferronickel smelters are expected to operate commercially in 2021. (Kontan)

Domestic & Global News

BI Records Third Party Funding to Grow by 8.2% in May 2020

Third Party Funds (DPK) collection in May 2020 has seen an increase. Bank Indonesia (BI) noted that the collection of third party funds in May has reached IDR5,931.8 trillion or grew by 8.2% YoY. This is higher compared to the growth of third party funds in April which was 8.0% to IDR5,883.4 trillion. (Kontan)

Saudi Arabia's Economy Contracts by 1% in First Quarter amid Oil Plunge

Saudi Arabia's economy contracted by 1% in the first quarter, official data showed on Tuesday, but the figures only marginally captured the collapse in oil prices and the coronavirus crisis, which deteriorated in March. This negative growth originated mainly from the contraction in the oil sector by 4.6%, while the non-oil sector recorded a positive growth rate of 1.6%," the General Authority for Statistics said, citing preliminary estimates. (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
Finance						(19.1)	2,006.4							
BBCA	28,475	33,425	28,950	Hold	1.7	(4.9)	702.1	24.1x	4.1x	17.6	1.9	13.9	8.5	1.1
BBRI	3,030	4,400	3,010	Hold	(0.7)	(31.4)	373.7	10.8x	2.1x	18.6	5.6	13.0	(0.3)	1.3
Consumer						(24.3)	1,033.2							
GGRM	47,175	53,000	59,550	Buy	26.2	(38.5)	90.8	8.3x	1.7x	21.8	5.5	4.1	3.9	0.9
KINO	3,450	3,430	2,950	Hold	(14.5)	19.8	4.9	18.2x	1.8x	10.5	3.1	11.1	(81.3)	0.9
ICBP	9,350	11,150	9,850	Hold	5.3	(7.7)	109.0	19.2x	4.0x	22.6	1.5	6.7	47.8	0.8
KLBF	1,460	1,620	1,630	Hold	11.6	0.7	68.4	26.5x	4.2x	16.3	1.4	8.0	12.5	1.1
Infrastructure						(28.2)	618.11							
TLKM	3,050	3,917	3,800	Buy	24.6	(26.7)	302.1	16.5x	2.8x	17.3	5.1	(1.9)	(5.8)	1.0
JSMR	4,400	5,175	4,600	Hold	4.5	(25.4)	31.9	14.4x	1.6x	12.0	0.3	(45.3)	0.5	1.3
Trade						(24.9)	546.0							
UNTR	16,550	21,525	19,000	Hold	14.8	(42.6)	61.7	6.1x	1.0x	16.9	7.3	(19.0)	(40.2)	0.9
MAPI	780	1,055	820	Hold	5.1	(13.3)	12.9	16.2x	2.2x	14.0	N/A	0.6	N/A	1.2
Property						(34.1)	298.1							
CTRA	610	1,040	810	Buy	32.8	(47.6)	11.3	10.7x	0.8x	7.2	1.6	(8.3)	(33.3)	1.5
WSKT	710	1,485	960	Buy	35.2	(64.9)	9.6	36.4x	0.6x	1.5	0.5	(51.9)	(94.1)	1.8
WIKA	1,200	1,990	1,840	Buy	53.3	(51.0)	10.8	5.1x	0.8x	14.3	4.2	(35.4)	(65.3)	1.7
Basic Ind.						(8.5)	576.0							
SMGR	9,625	12,000	10,925	Hold	13.5	(22.8)	57.1	22.2x	1.7x	8.0	0.4	5.6	66.7	1.3
Misc Ind.						(32.6)	263.4							
ASII	4,800	6,925	5,800	Buy	20.8	(34.9)	194.3	9.1x	1.3x	14.4	4.5	(9.4)	(7.8)	1.3
Mining						(29.5)	284.8							
TINS	595	825	830	Buy	39.5	(48.3)	4.4	N/A	0.8x	(10.7)	N/A	3.5	N/A	1.5
PTBA	2,020	2,660	2,900	Buy	43.6	(34.0)	23.3	5.8x	1.1x	20.6	16.2	(4.0)	(25.0)	1.2
INCO	2,800	3,640	3,500	Buy	25.0	(11.4)	27.8	18.1x	1.0x	5.6	N/A	38.1	N/A	1.7
ANTM	605	840	600	Hold	(0.8)	(28.8)	14.5	N/A	0.8x	(1.4)	0.5	(16.3)	N/A	1.6
Agriculture						(28.2)	65.1							
AALI	8,225	14,575	10,000	Buy	21.6	(24.0)	15.8	29.1x	0.8x	2.9	0.6	13.3	891.7	1.4

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

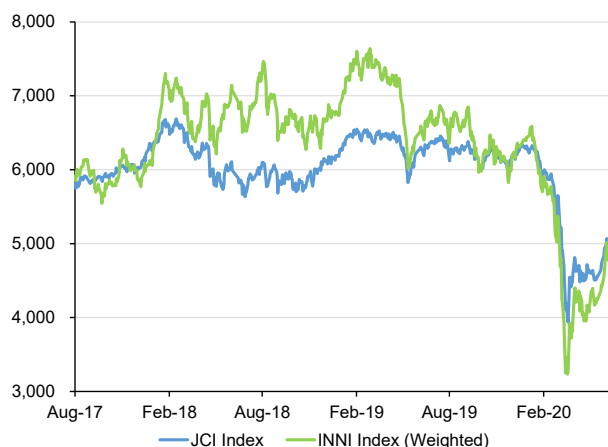
INNI Index Movement

YTD Change	-24.6%
YTD Change Gap (vs JCI)	-2.6%
Weekly Change	-1.2%
Weekly Change Gap (vs JCI)	-1.7%

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
Monday 29 - June	GE	19.00	CPI YoY	Jun	0.9%	0.6%	0.6%
Tuesday 30 - June	CH	08.00	Manufacturing PMI	Jun	50.9	50.5	50.6
	UK	13.00	GDP QoQ	1Q20	-2.2%	-2.0%	-2.0%
	UK	13.00	GDP YoY	1Q20	-1.7%	-1.6%	-1.6%
	US	21.00	Conf. Board Consumer Confidence	Jun	98.1	90.5	86.6
Wednesday 01 - July	CH	08.45	Caixin China PMI Mfg	Jun		50.5	50.7
	UK	13.00	Nationwide House PX MoM	Jun		-0.6%	-1.7%
	UK	13.00	Nationwide House Px NSA YoY	Jun		0.9%	1.8%
	GE	14.55	Markit Germany Manufacturing PMI	Jun		44.6	44.6
	GE	14.55	Unemployment Change (000's)	Jun		120.0k	238.0k
	EC	15.00	Markit Eurozone Manufacturing PMI	Jun		46.9	46.9
	UK	15.30	Markit UK PMI Manufacturing SA	Jun		50.1	50.1
	US	18.00	MBA Mortgage Applications	Jun		--	-8.7%
	US	19.15	ADP Employment Change	Jun		2850k	-2760k
	US	20.45	Markit US Manufacturing PMI	Jun		49.6	49.6
	US	21.00	ISM Manufacturing	Jun		49.5	43.1
Thursday 02 - July	US	19.30	Change in Nonfarm Payrolls	Jun		3000k	2509k
	US	19.30	Unemployment Rate	Jun		12.50%	13.30%
	US	19.30	Initial Jobless Claims	Jun		1350k	1480k
	US	21.00	Durable Goods Orders	May		15.80%	15.80%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 08 - June	07.30	Markit Indonesia PMI Mfg	Jun			28.6
	11.00	CPI YoY	Jun		1.8%	2.2%

Source: Bloomberg

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