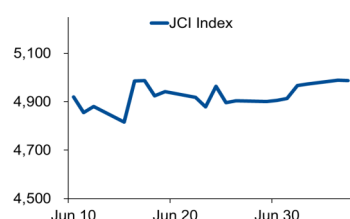
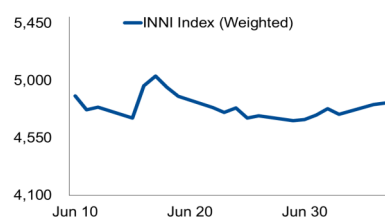


Morning Brief

JCI Movement



INNI Movement



Today's Outlook:

Slight Up in Foreign Exchange Reserves

Three major US indices experienced a significant decline in the close of trading on July 7, 2020. Investors were seen to start realizing profits after the stock market had strengthened over the past week.

JCI movement today is predicted to move sideways amid minimum sentiment and release of the foreign exchange reserves value that showed a slight increase. At the end of June 2020, Indonesian foreign exchange reserves is at USD131.7 billion or higher than the previous month's USD130.5 billion.

Company News

- BBRI : Booked Cuts to Cost of Fund
- WSKT : Prepares Two Divestment Schemes
- TLKM : Telkomsel Holds Tinc Batch 5

Domestic & Global News

- June CaDev Increased to USD131.7 Billion
- U.S. Hiring Races to Record High in May, Layoffs Abate

Sectors

	Last	Chg.	%
Consumer Goods	1,808.08	7.42	-0.41%
Property, Real Estate and Construction	319.06	1.31	-0.41%
Basic Industries	757.46	2.93	-0.39%
Trade, Services, and Investment	606.83	0.81	-0.13%
Miscellaneous Industry	874.68	0.70	-0.08%
Mining	1,286.83	0.06	-0.01%
Finance	1,079.65	1.25	0.12%
Agriculture	1,049.82	4.36	0.42%
Infrastructure, Utilities, and Transportation	900.55	5.88	0.66%

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	1.96%	2.19%	Cons. Confidence*	83.80	77.80

JCI Index

July 07	4,987.08
Chg.	-1.78pts (-0.04%)
Volume (bn shares)	83.39
Value (IDR tn)	7.93
Adv 138 Dec 286 Unc 281 Untr 132	

INNI Index

Last	4,826.30
Chg.	+17.82pts (+0.37%)

INNI's Top Gainers & Losers

Gainers	%	Losers	%
TLKM	+2.3%	SMGR	-2.8%
ANTM	+1.6%	JSMR	-1.6%
BBCA	+0.9%	WSKT	-1.4%
ICBP	+0.8%	WIKA	-1.3%
MAPI	+0.7%	PTBA	-1.0%

Foreign Transaction

	(IDR bn)
Buy	2,797
Sell	2,420
Net Buy (Sell)	377

Top Buy	NB Val.	Top Sell	NS Val.
TLKM	147.2	BBRI	60.3
BBCA	115.9	BBNI	33.7
BMRI	29.2	INTP	24.3
ICBP	25.3	LPPF	18.9
PGAS	17.3	TKIM	15.9

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.15%	-0.09%
USDIDR	14,440	-0.35%
KRWIDR	12.08	-0.54%

Global Indices

Index	Last	Chg.	%
Dow Jones	25,890.18	(396.85)	-1.51%
S&P 500	3,145.32	(34.40)	-1.08%
FTSE 100	6,189.90	(96.04)	-1.53%
DAX	12,616.80	(116.65)	-0.92%
Nikkei	22,614.69	(99.75)	-0.44%
Hang Seng	25,975.66	(363.50)	-1.38%
Shanghai	3,345.34	12.46	0.37%
KOSPI	2,164.17	(23.76)	-1.09%
EIDO	18.92	0.06	0.32%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,794.9	10.2	0.57%
Crude Oil (USD/B)	40.62	(0.01)	-0.02%
ICE NewCastle (USD/ton)	59.30	1.30	2.24%
LME Nickel (USD/MT)	13,469	133.0	1.00%
LME Tin (USD/MT)	16,970	(40.0)	-0.24%
CPO (MYR/ton)	2,359	(32.0)	-1.34%

BBRI : Booked Cuts to Cost of Fund

PT Bank Rakyat Indonesia Tbk (BBRI) recorded a decrease in cost of funds (CoF) in line with Bank Indonesia's BI-7DDR cut since mid-2019. As of the end of May, BBRI CoF was recorded at 3.57% or down compared to the same period of the previous year by 3.65%. BBRI targets that until the end of the year the CoF will be around 3.5%. (Kontan)

WSKT : Prepares Two Divestment Schemes

PT Waskita Karya Tbk (WSKT) prepared two toll road concession release schemes which are direct release to investors and by using the equity instrument issuance scheme. Both are currently under preparation. The corporate action is expected to be completed in the second half of this year. (Kontan)

TLKM : Telkomsel Holds Tinc Batch 5

Telkomsel, a subsidiary of PT Telekomunikasi Indonesia Tbk (TLKM) holds Telkomsel Innovation Center (Tinc) Batch 5 this year, which will focus on development in the Internet of Things (IoT), machine learning, artificial intelligence, advertising technology, financial technology (fintech), and other digital based solutions as a support system for the digital ecosystem in every phase of life. (Investor Daily)

Domestic & Global News

June CaDev Increased to USD131.7 Billion

Indonesian foreign exchange reserves (Cadev) rebounded at the end of June. Bank Indonesia (BI) noted that the foreign exchange reserves at the end of last month was USD131.7 billion or bigger than USD130.5 billion in May 2020. The increase in June was mainly influenced by the issuance of government's global sukuk. (Kontan)

U.S. Hiring Races to Record High in May, Layoffs Abate

U.S. hiring surged to a record high in May and layoffs declined as businesses reopened, but the signs of improvement in the labor market have been overshadowed by a resurgence in COVID-19 cases that has forced some enterprises to shut down again. The Labor Department said on Tuesday in its monthly Job Openings and Labor Turnover Survey, or JOLTS, hiring accelerated by 2.4 million jobs to 6.5 million, the highest level since the government started tracking the series in 2000. The hiring rate jumped to an all-time high of 4.9% from 3.1% in April. (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						(16.9)	2,044.6							
BBCA	29,950	33,425	28,950	Hold	(3.3)	1.9	738.4	25.4x	4.3x	17.6	1.9	13.9	8.5	1.1
BBRI	3,030	4,400	3,010	Hold	(0.7)	(31.1)	373.7	10.8x	2.1x	18.6	5.6	13.0	(0.3)	1.3
Consumer						(24.4)	1,037.3							
GGRM	46,675	53,000	59,550	Buy	27.6	(39.5)	89.8	8.2x	1.7x	21.8	5.6	4.1	3.9	0.9
KINO	3,520	3,430	2,950	Sell	(16.2)	23.5	5.0	18.5x	1.9x	10.5	3.1	11.1	(81.3)	0.9
ICBP	9,500	11,150	9,850	Hold	3.7	(5.2)	110.8	19.5x	4.1x	22.6	1.4	6.7	47.8	0.8
KLBF	1,515	1,620	1,630	Hold	7.6	5.6	71.0	27.5x	4.3x	16.3	1.3	8.0	12.5	1.1
Infrastructure						(26.9)	630.27							
TLKM	3,120	3,917	3,800	Buy	21.8	(25.9)	309.1	16.9x	2.9x	17.3	4.9	(1.9)	(5.8)	1.0
JSMR	4,390	5,175	4,600	Hold	4.8	(20.5)	31.9	14.4x	1.6x	12.0	0.3	(45.3)	0.5	1.3
Trade						(24.6)	538.8							
UNTR	17,325	21,525	19,000	Hold	9.7	(36.5)	64.6	6.4x	1.0x	16.9	7.0	(19.0)	(40.2)	0.9
MAPI	725	1,055	820	Hold	13.1	(18.5)	12.0	15.1x	2.0x	14.0	N/A	0.6	N/A	1.2
Property						(34.0)	301.7							
CTRA	615	1,040	810	Buy	31.7	(44.3)	11.4	10.8x	0.8x	7.2	1.6	(8.3)	(33.3)	1.5
WSKT	710	1,485	960	Buy	35.2	(63.0)	9.6	36.4x	0.6x	1.5	0.5	(51.9)	(94.1)	1.8
WIKA	1,185	1,990	1,840	Buy	55.3	(50.0)	10.6	5.1x	0.7x	14.3	4.3	(35.4)	(65.3)	1.7
Basic Ind.						(5.6)	606.5							
SMGR	9,675	12,000	10,925	Hold	12.9	(20.9)	57.4	22.3x	1.7x	8.0	0.4	5.6	66.7	1.3
Misc Ind.						(31.8)	265.7							
ASII	4,830	6,925	5,800	Buy	20.1	(33.8)	195.5	9.2x	1.3x	14.4	4.4	(9.4)	(7.8)	1.3
Mining						(22.3)	297.2							
TINS	635	825	830	Buy	30.7	(38.6)	4.7	N/A	0.9x	(10.7)	N/A	3.5	N/A	1.5
PTBA	2,050	2,660	2,900	Buy	41.5	(31.2)	23.6	5.9x	1.2x	20.6	15.9	(4.0)	(25.0)	1.1
INCO	3,150	3,640	3,500	Hold	11.1	8.2	31.3	20.4x	1.1x	5.6	N/A	38.1	N/A	1.6
ANTM	650	840	600	Hold	(7.7)	(21.2)	15.6	N/A	0.9x	(1.4)	0.4	(16.3)	N/A	1.5
Agriculture						(25.2)	67.1							
AALI	8,700	14,575	10,000	Hold	14.9	(16.9)	16.7	30.7x	0.9x	2.9	0.6	13.3	891.7	1.4

* Target Price for December 2020

Source: Bloomberg, NHKSI Research

INNI Summary

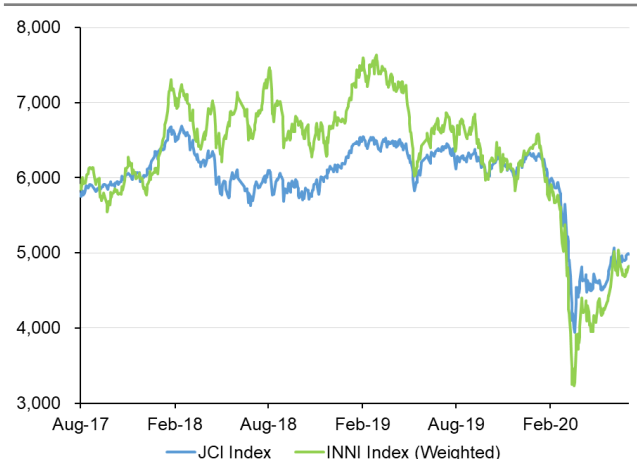
INNI Index Movement

YTD Change	-22.5%
YTD Change Gap (vs JCI)	-1.8%
Weekly Change	2.8%
Weekly Change Gap (vs JCI)	1.1%

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	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
Tuesday	GE	13.00	Industrial Production SA MoM	May	7.8%	11.0%	-17.9%
<i>07 - July</i>							
Wednesday	US	18.00	MBA Mortgage Applications	July		-	-1.8%
<i>08 - July</i>							
Thursday	CH	08.30	PPI YoY	June		-3.2%	-3.7%
<i>09 - July</i>	CH	08.30	CPI YoY	June		2.5%	2.4%
	US	19.30	Initial Jobless Claims	july		-	1427k
	US	21.00	Wholesale Inventories MoM	May		-1.2%	-1.2%
Friday	US	19.30	PPI Final Demand MoM	June		0.4%	0.4%
<i>10 - July</i>							

Source: Bloomberg

Domestic Economic Calendar

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

Source: Bloomberg

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st
Fl. Unit A, SCBD Lot.28
Jl. Jendral Sudirman Kav. 52-53
Jakarta Selatan 12190
Telp : +62 21 50889100
Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48
Jl. Pahlawan Seribu Serpong
Tangerang Selatan 15322
Indonesia
Telp : +62 21 5316 2049
Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147
Medan, Sumatera Utara
20234
Indonesia
Telp : +62 614 156500
Fax : +62 614 568560

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