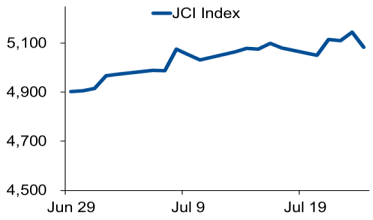
# Morning Brief

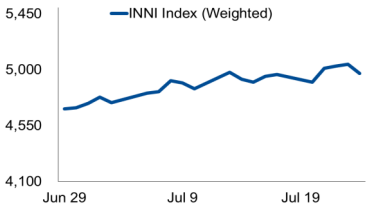
NH KORINDO SEKURITAS

**Daily | July 27, 2020**

## JCI Movement




## INNI Movement




## Today's Outlook:

### US-China Conflict Potentially Halting Market

US markets closed lower at the end of trading last week, marked by the collapse of technology shares. In addition, concerns about the impact of economic contraction in Q2 and the continuing conflict with China are also still a negative sentiment.

For the JCI movement this week, investor focus will also be on the latest developments of the US-China conflict, where the Chinese government has ordered the closure of the US consulate in Chengdu in retaliation. It is feared that this will disrupt the commitment of the phase 1 trade agreement.

## Company News

SMRA : Earned IDR250 Billion at First Online Launching
BBNI : Increases KUR for Fishermen
BBTN : Plans to Securitize 2H20
ITMG : Achieved Sales Contract at 80% of Production

## Domestic & Global News

BI: Export Foreign Exchange Earnings of USD33.44 Million in 1Q20
U.S. New Home Sales Beat Expectations in June

## Sectors

| | Last | Chg. | % |
|---|---|---|---|
| Consumer Goods | 1,851.24 | 35.04 | -1.86% |
| Miscellaneous Industry | 905.55 | 16.25 | -1.76% |
| Finance | 1,104.69 | 16.49 | -1.47% |
| Trade, Service, and Investment | 612.43 | 5.78 | -0.94% |
| Property, Real Estate and Construction | 303.96 | 2.60 | -0.85% |
| Basic Industries | 778.31 | 5.31 | -0.68% |
| Mining | 1,349.57 | 8.66 | -0.64% |
| Agriculture | 1,145.16 | 4.23 | -0.37% |
| Infrastructure, Utilities, and Transportation | 897.11 | 2.26 | -0.25% |

## Indonesia Macroeconomic Data

| Monthly Indicators | Last | Prev. | Quarterly Indicators | Last | Prev. |
|---|---|---|---|---|---|
| BI 7 Day Rev Repo Rate | 4.00% | 4.25% | 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) | 1.27 | 2.09 | Govt. Spending Yoy | 3.74% | 0.48% |
| Exports Yoy | 2.28% | -28.95% | FDI (USD bn) | 4.51 | 4.60 |
| Imports Yoy | -6.36% | -42.20% | Business Confidence | 104.82 | 105.33 |
| Inflation Yoy | 1.96% | 2.19% | Cons. Confidence* | 83.80 | 77.80 |

## JCI Index

| | |
|---|---|
| July 24 | 5,082.99 |
| Chg. | -62.02pts (-1.21%) |
| Volume (bn shares) | 128.12 |
| Value (IDR tn) | 8.35 |

Adv 135 Dec 296 Unc 274 Untr 111

## INNI Index

| | |
|---|---|
| Last | 4,969.42 |
| Chg. | -73.76pts (-1.46%) |

## INNI's Top Gainers & Losers

| Gainers | % | Losers | % |
|---|---|---|---|
| INCO | +0.9% | JSMR | -3.6% |
| | | GGRM | -3.4% |
| | | UNTR | -3.1% |
| | | KLBF | -2.8% |
| | | WSKT | -2.7% |

## Foreign Transaction (IDR bn)

| | |
|---|---|
| Buy | 1,263 |
| Sell | 2,003 |
| Net Buy (Sell) | 739 |

| Top Buy | NB Val. | Top Sell | NS Val. |
|---|---|---|---|
| BMRI | 29.7 | TLKM | 200.6 |
| CPIN | 13.7 | BBCA | 127.8 |
| PTBA | 9.1 | BBNI | 78.6 |
| UNVR | 9.0 | ASII | 51.9 |
| BBRI | 8.6 | INTP | 41.4 |

## Government Bond Yields & FX

| | Last | Chg. |
|---|---|---|
| Tenor: 10 year | 6.89% | 0.00% |
| USDIDR | 14,610 | 0.21% |
| KRWIDR | 12.15 | -0.33% |

## Global Indices

| Index | Last | Chg. | % |
|---|---|---|---|
| Dow Jones | 26,469.89 | (182.44) | -0.68% |
| S&P 500 | 3,215.63 | (20.03) | -0.62% |
| FTSE 100 | 6,123.82 | (87.62) | -1.41% |
| DAX | 12,838.06 | (265.33) | -2.02% |
| Nikkei | 22,751.61 | (132.61) | -0.58% |
| Hang Seng | 24,705.33 | (557.67) | -2.21% |
| Shanghai | 3,196.77 | (128.34) | -3.86% |
| KOSPI | 2,200.44 | (15.75) | -0.71% |
| EIDO | 19.06 | 0.11 | 0.58% |

## Commodities

| Commodity | Last | Chg. | % |
|---|---|---|---|
| Gold (USD/t oz) | 1,902.0 | 14.6 | 0.77% |
| Crude Oil (USD/B) | 41.29 | 0.22 | 0.54% |
| ICE NewCastle (USD/ton) | 56.70 | (0.60) | -1.05% |
| LME Nickel (USD/MT) | 13,656 | (33.0) | -0.24% |
| LME Tin (USD/MT) | 17,657 | (156.0) | -0.88% |
| CPO (MYR/ton) | 2,778 | 70.0 | 2.58% |

## Company News

**SMRA : Earned IDR250 Billion at First Online Launching**

PT Summarecon Agung Tbk (SMRA) through its business unit, Summarecon Serpong managed to sell Maxwell's shop houses and Faraday's shop houses in one day with a total sales of 101 units worth IDR250 billion. The units are officially marketed on Saturday, July 25, 2020, virtually through the zoom application. This is the first online launching for SMRA. (Kontan)

**BBTN : Plans to Securitize 2H20**

PT Bank Tabungan Negara Tbk (BBTN) plans to securitize in the second half of 2020, to raise funds worth IDR2 trillion by targeting wholesale and retail investors. The retail segment is planned to get 10-20% of the target and partner with PT Sarana Multigriya Financial and PT Mandiri Manajemen Investasi for its retail segment. (Bisnis Indonesia)

**BBNI : Increases KUR for Fishermen**

PT Bank Negara Indonesia Tbk (BBNI) is working with the Ministry of Maritime Affairs and Fisheries (KKP) to manage Micro, Small and Medium Enterprises (MSMEs), especially in supporting the distribution of subsidized micro credit (KUR), improving financing schemes, and digitizing fisheries businesses. BBNI presents the Mobile Innovation for SME Ecosystem (BNI MOVE) application to facilitate lending. (Kontan)

**ITMG : Achieved Sales Contract at 80% of Production**

PT Indo Tambangraya Megah Tbk (ITMG) recorded sales contract amounting to 80% of total production this year and will maintain the production target set in early 2020. ITMG has not planned to cut production volumes because it believes coal can still be absorbed by the market considering about 80% of ITMG's produced coals have been contracted. The biggest sales contribution still came from China and Japan. (Bisnis Indonesia)

## Domestic & Global News

**BI: Export Foreign Exchange Earnings of USD33.44 Million in 1Q20**

Throughout the first quarter of 2020, Bank Indonesia (BI) recorded a total foreign exchange export earnings (DHE) that reached USD3.44 million. The Head of the BI Statistics Department said that the incoming DHE had already reached 80.1% of the total export transaction value in the first three months of this year which amounted to USD41.75 million. (Kontan)

**U.S. New Home Sales Beat Expectations in June**

Sales of new U.S. single-family homes increased more than expected in June as the housing market outperforms the broader economy amid record low interest rates and migration from urban centers to lower-density areas because of the COVID-19 pandemic. The Commerce Department said on Friday new home sales rose 13.8% to a seasonally adjusted annual rate of 776,000 units last month. New home sales are counted at the signing of a contract, making them a leading housing market indicator. (Reuters)

# INNI Components

| | 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** | | | | | | (15.6) | 2,095.4 | | | | | | | |
| BBCA | 30,500 | 33,425 | 28,950 | Hold | (5.1) | (1.5) | 752.0 | 25.9x | 4.4x | 17.6 | 1.8 | 13.9 | 8.5 | 1.1 |
| BBRI | 3,090 | 4,400 | 3,010 | Hold | (2.6) | (30.4) | 381.1 | 11.0x | 2.1x | 18.6 | 5.4 | 13.0 | (0.3) | 1.3 |
| **Consumer** | | | | | | (20.6) | 1,062.0 | | | | | | | |
| GGRM | 47,700 | 53,000 | 59,550 | Buy | 24.8 | (36.4) | 91.8 | 8.4x | 1.7x | 21.8 | 5.5 | 4.1 | 3.9 | 0.9 |
| KINO | 3,350 | 3,430 | 2,950 | Hold | (11.9) | 7.4 | 4.8 | 17.6x | 1.8x | 10.5 | 3.2 | 11.1 | (81.3) | 0.9 |
| ICBP | 9,175 | 11,150 | 9,850 | Hold | 7.4 | (13.2) | 107.0 | 18.8x | 3.9x | 22.6 | 2.3 | 6.7 | 47.8 | 0.8 |
| KLBF | 1,570 | 1,620 | 1,630 | Hold | 3.8 | 8.3 | 73.6 | 28.5x | 4.5x | 16.3 | 1.3 | 8.0 | 12.5 | 1.1 |
| **Infrastructure** | | | | | | (24.2) | 627.87 | | | | | | | |
| TLKM | 3,020 | 3,917 | 3,800 | Buy | 25.8 | (26.4) | 299.2 | 16.3x | 2.8x | 17.3 | 5.1 | (1.9) | (5.8) | 1.0 |
| JSMR | 4,040 | 5,175 | 4,600 | Hold | 13.9 | (29.7) | 29.3 | 13.3x | 1.5x | 12.0 | 0.4 | (45.3) | 0.5 | 1.3 |
| **Trade** | | | | | | (24.8) | 544.6 | | | | | | | |
| UNTR | 19,450 | 21,525 | 19,000 | Hold | (2.3) | (26.7) | 72.6 | 7.2x | 1.1x | 16.9 | 6.2 | (19.0) | (40.2) | 0.9 |
| MAPI | 690 | 1,055 | 870 | Buy | 26.1 | (27.0) | 11.5 | 14.4x | 1.9x | 14.0 | N/A | 0.6 | N/A | 1.2 |
| **Property** | | | | | | (38.7) | 288.3 | | | | | | | |
| CTRA | 645 | 1,040 | 810 | Buy | 25.6 | (49.6) | 12.0 | 11.3x | 0.8x | 7.2 | 1.6 | (8.3) | (33.3) | 1.5 |
| WSKT | 710 | 1,485 | 820 | Buy | 15.5 | (65.7) | 9.6 | 36.4x | 0.6x | 1.5 | 0.5 | (51.9) | (94.1) | 1.8 |
| WIKA | 1,230 | 1,990 | 1,840 | Buy | 49.6 | (47.4) | 11.0 | 5.3x | 0.8x | 14.3 | 4.1 | (35.4) | (65.3) | 1.8 |
| **Basic Ind.** | | | | | | (5.2) | 625.7 | | | | | | | |
| SMGR | 9,275 | 12,000 | 10,925 | Buy | 17.8 | (25.2) | 55.0 | 21.4x | 1.7x | 8.0 | 0.4 | 5.6 | 66.7 | 1.3 |
| **Misc Ind.** | | | | | | (27.6) | 275.0 | | | | | | | |
| ASII | 5,050 | 6,925 | 5,800 | Hold | 14.9 | (28.6) | 204.4 | 9.6x | 1.3x | 14.4 | 4.2 | (9.4) | (7.8) | 1.3 |
| **Mining** | | | | | | (16.6) | 312.1 | | | | | | | |
| TINS | 680 | 825 | 830 | Buy | 22.1 | (33.3) | 5.1 | N/A | 1.1x | (22.6) | N/A | 5.2 | N/A | 1.5 |
| PTBA | 2,070 | 2,660 | 2,900 | Buy | 40.1 | (24.7) | 23.8 | 6.0x | 1.2x | 20.6 | 15.8 | (4.0) | (25.0) | 1.1 |
| INCO | 3,280 | 3,640 | 3,500 | Hold | 6.7 | 12.3 | 32.6 | 21.0x | 1.1x | 5.6 | N/A | 38.1 | N/A | 1.6 |
| ANTM | 685 | 840 | 600 | Hold | (12.4) | (23.0) | 16.5 | N/A | 0.9x | (1.4) | 0.4 | (16.3) | N/A | 1.5 |
| **Agriculture** | | | | | | (15.4) | 73.2 | | | | | | | |
| AALI | 9,375 | 14,575 | 10,000 | Hold | 6.7 | (6.9) | 18.0 | 33.1x | 1.0x | 2.9 | 0.5 | 13.3 | 891.7 | 1.4 |

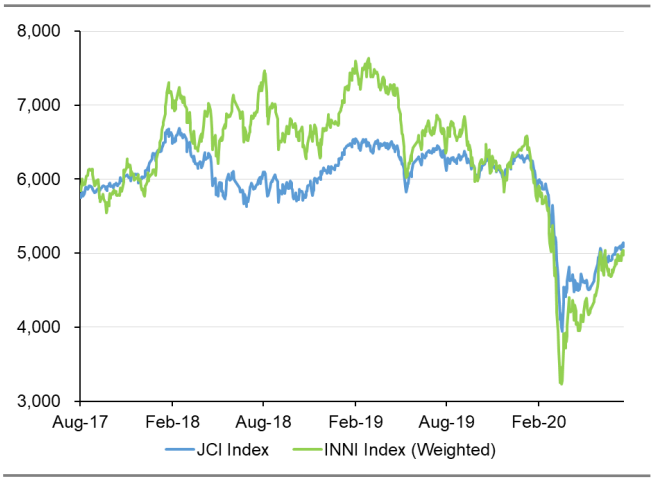
*** Target Price**

Source: Bloomberg, NHKSI Research

# INNI Summary

| **INNI Index Movement** | |
|---|---|
| **YTD Change** | -20.1% |
| YTD Change Gap (vs JCI) | -1.0% |
| Weekly Change | 0.2% |
| Weekly Change Gap (vs JCI) | 0.1% |
| **INNI Market Capitalization** | |
| Market Cap (IDR tn) | 3,464 |
| Market Cap (%) | 47.27 |

**INNI Index**




Source: Bloomberg, NHKS Research

## Global Economic Calendar

| Date | Country | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|---|---|---|---|---|---|---|---|
| **Wednesday** | US | 18:00 | MBA Mortgage Applications | Jun | 4.1% | | 5.1% |
| *22 - July* | US | 21:00 | Existing Home Sales | May | 4.72m | 4.75m | 3.91m |
| **Thursday** | US | 19:30 | Initial Jobless Claims | Jul | 1416k | 1295k | 1300k |
| *23 - July* | US | 21:00 | Leading Index | Jun | 2.0% | 2.4% | 2.8% |
| **Friday** | UK | 13:00 | Retail Sales Ex Auto Fuel MoM | Jun | 13.5% | 7.9% | 10.2% |
| *24 - July* | UK | 13:00 | Retail Sales Inc Auto Fuel MoM | Jun | 13.9% | 9.0% | 12.0% |
| | GE | 14:30 | Markit Germany Manufacturing PMI | Jul | 50.0 | 47 | 45.2 |
| | EC | 15:00 | Markit Eurozone Manufacturing PMI | Jul | 51.1 | 49.3 | 47.4 |
| | UK | 15:30 | Markit UK PMI Manufacturing SA | Jul | 53.6 | 52 | 50.1 |
| | US | 20:45 | Markit US Manufacturing PMI | Jul | 51.3 | 52 | 49.8 |
| | US | 21:00 | New Home Sales | Jun | 776k | 700k | 676k |

Source: Bloomberg

## Corporate Calendar

| Date | Event | Company |
|---|---|---|
| **Monday** | Cum Dividend | PWOR, GHON |
| *27 - July* | RUPS | PNBS, PLAS, PGLI, MGRO, MASA, MAGP, IATA, BCAP |
| **Tuesday** | Cum Dividend | AMAG |
| *28 - July* | RUPS | WEGE, TRUK, SRSN, MSKY, IPTV, INTP, DOID |
| **Wednesday** | Cum Dividend | FISH |
| *29 - July* | RUPS | ZONE, UNIC, UCID, TAMU, MERK, MDKA, KRAS, KEEN, KAEF, INCO, INAF, |
| **Thursday** | Stock Split | BELL |
| *30 - July* | Right Issue | ACST |
| | RUPS | YELO, TPMA, SLIS, PALM, IFII, DYAN, CTRA, CLEO, CITA, BBYB, BBCA, ASRM, |

Source: RTI Analytics

## Research Division


**Head of Research**
**Anggaraksa Arismunandar**
Market Strategy, Economy, Misc. Industry
T +62 21 5088 9134 ext. 9134
E anggaraksa@nhsec.co.id

**Analyst**
**Ajeng Kartika Hapsari**
Property, Construction
T +62 21 5088 ext 9130
E ajeng@nhsec.co.id

**Analyst**
**Arief Machrus**
Banking, Fixed Income
T +62 21 5088 ext 9127
E arief.machrus@nhsec.co.id

**Analyst**
**Meilki Riyanto Darmawan S**
Mining, Plantation
T +62 21 5088 ext 9128
E meilki.darmawan@nhsec.co.id

**Analyst**
**Putu Chantika**
Consumer, Retail
T +62 21 5088 ext 9129
E putu.chantika@nhsec.co.id

**Analyst**
**Restu Pamungkas**
Telco, Tower, Toll road
T +62 21 5088 ext 9133
E restu.pamungkas@nhsec.co.id

**Research Support**
**Jasmine Kusumawardani**
T +62 21 5088 ext 9132
E jasmine.kusumawardani@nhsec.co.id





**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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