

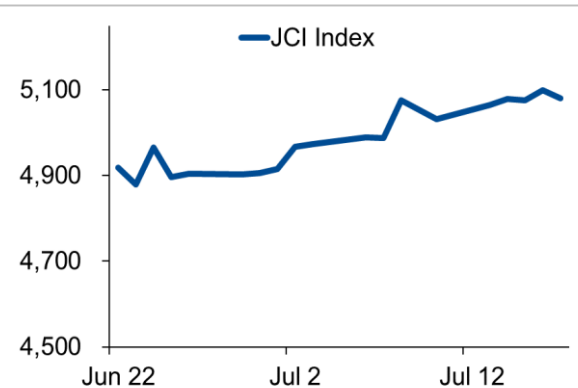
## Weekly Brief (July 20th – July 24th)

### Summary:

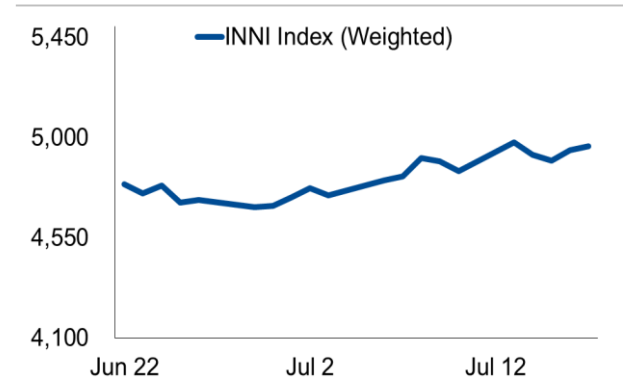
**Last week review:** The trade balance surplus and decision to cut benchmark interest rate by BI were the domestic sentiments for IDX composite. Globally, development of the corona vaccine that has mostly entered phase II and III are responded positively by investors.

**This week's outlook:** Domestic sentiments are predicted to be minimal this week. JCI movement will tend to follow the direction of global exchanges. The release of US and European Union PMI initial estimates are predicted to increase. This is expected to be a positive sentiment for the stock market.

JCI - one month



INNI Index – one month



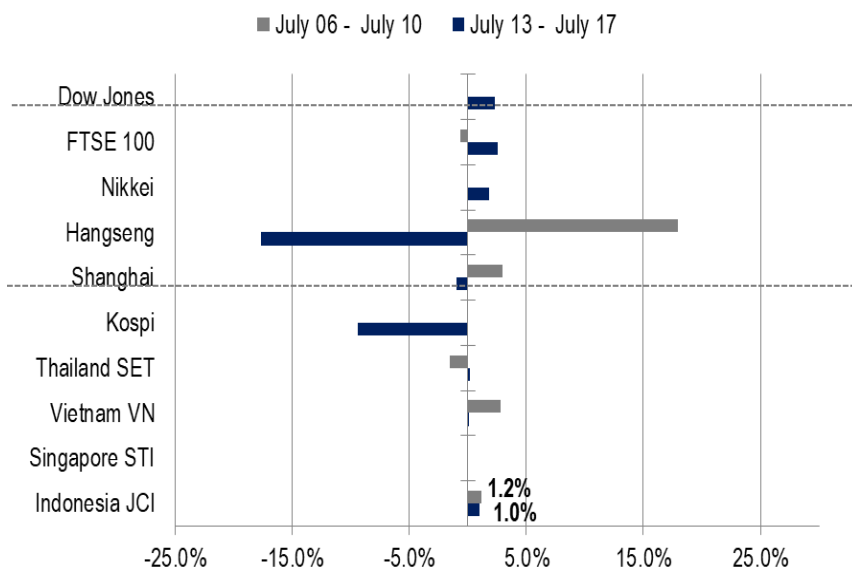
## Last Week's JCI Movement

•JCI Index	: 5,079.58 (+1.0%)
Foreign Flow	: Net sell of IDR1.1 trillion (vs. last week's net sell of IDR128 billion)
USD/IDR	: 14,703 (-1.86%)
Yields of sovereign bond with 10-years tenor	: 7.064% (-1.40 bps)

### JCI Rally Continues

JCI closed higher for 2 days in a row on 13/07 and 14/07 supported by positive sentiments from the global side regarding the development of COVID-19 vaccines which have entered phase II and III vaccine testing, one of the candidates being a US vaccine called Moderna. The next day on 15/07, JCI closed slightly corrected after Central Bureau of Statistics (BPS) recorded surplus of Indonesia's June balance of trade amounting to USD1.27 billion with export realisation of USD12.03 billion and import of USD10.76 billion. Then, following the Board of Government Meeting (RDG) on 15-16 July, BI decided to cut the BI 7-DRRR benchmark interest rate by 25 bps to 4%. This decision is in line with low inflation, maintained external stability, and are the next steps to accelerate economic recovery. This pushed JCI to close stronger as foreign funds flow in for the first time in a week. At the end of last week, JCI went down again in line with the weakening of Asian stock market. However, JCI successfully closed stronger by 1.0% to level 5.079,58 throughout the week..

### Global Market Movement



### Foreign Net Flow – Last 10 Days



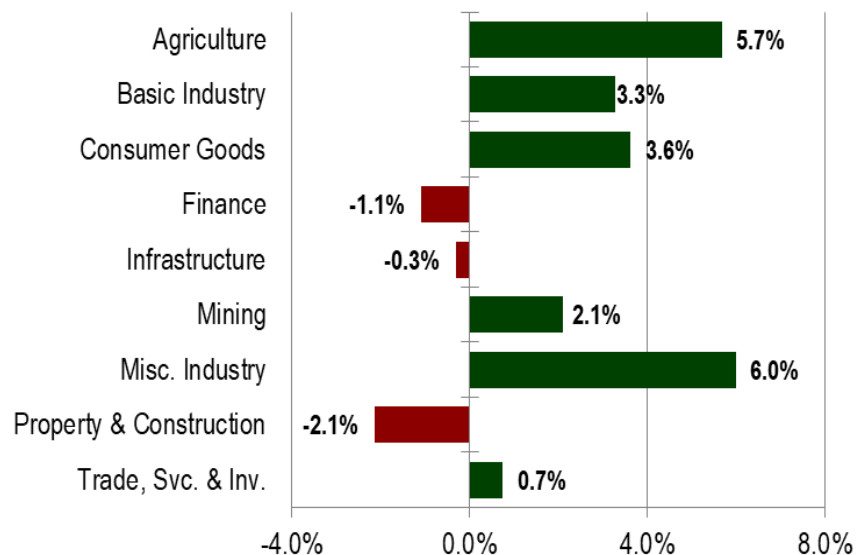
## Last Week's INNI Movement

•INNI Index	: 4,961.87
Last week's INNI Index	: 4,849.66
Change (%)	: 112.21 (+2.3%)

### INNI Index Closed on the Green

At the beginning of the week, INNI index closed stronger supported by the mining sector such as INCO (+7.4%) and TINS (+5.6%). However on 14 July, INNI index weakened for two days in a row found by retail stock - MAPI. With the extension of large scale social restriction (PSBB), the retail sector is predicted to be depressed again as it has to close some stores. On 16 July, INNI index once again strengthened, backed by cigarette producer stock, GGRM (+6.5%). This strengthening was triggered by the Ministry of Finance's step to simplify the structure of tax on tobacco products. At the end of last week (17/07), INNI index closed stronger with the support of ANTM (+1.5%) and MAPI (1.4%). As a note, ANTM currently targets to expand its export market to European Union. Besides, ANTM will also focus on maintaining the nickel export market, especially in the East Asian region such as China and South Korea, as the Indian market is still implementing lockdown.

### JCI Sector Movement



Source: Bloomberg, NHKSI Research

### Top 5 Net Foreign Buy and Sell

Top Buy	NB Val.	Top Sell	NS Val.
ASII	334.2	TLKM	-448.4
PTBA	73.2	BBRI	-313.6
ICBP	70.1	BBNI	-169.0
CPIN	60.9	SMRA	-75.8
BBCA	41.4	INTP	-75.6

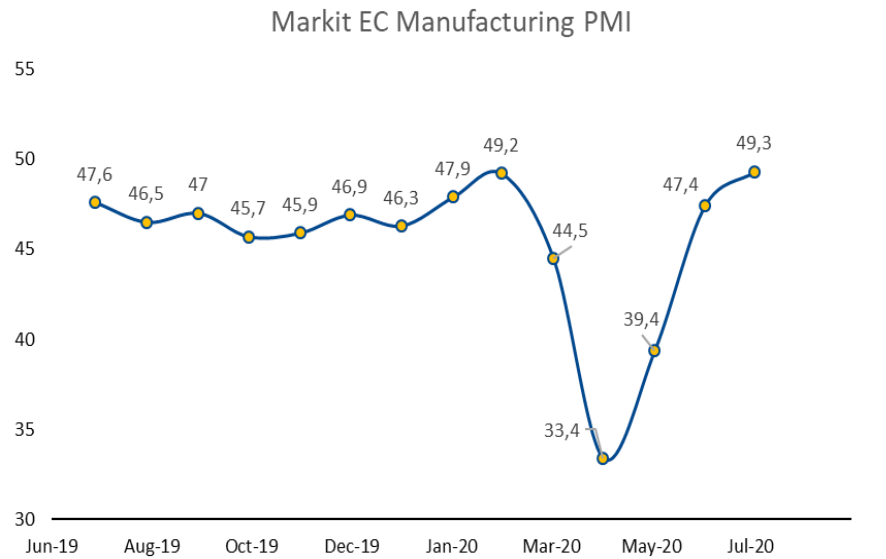
Source: NHKSI Research

# Outlook This Week

- Preliminary Purchasing Manager Index (PMI) Data Release**

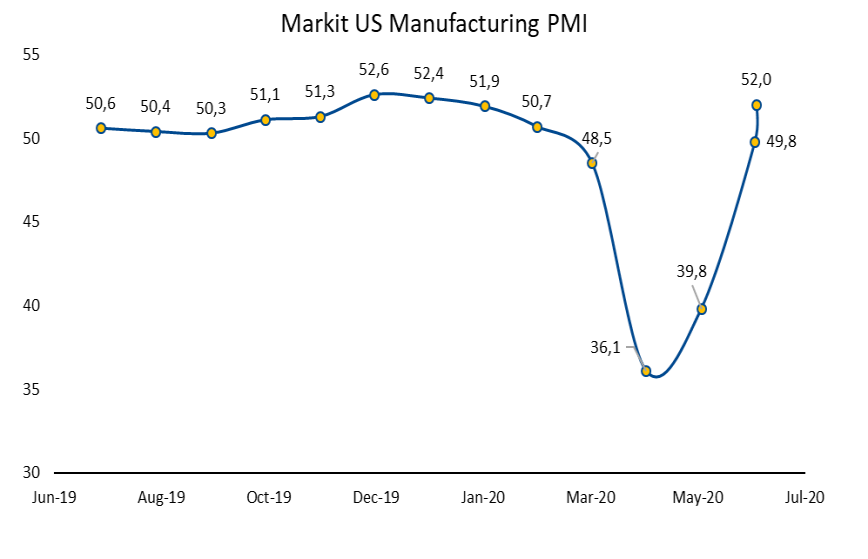
On 24 July 2020, IHS Markit Survey Institute will release the July 2020 PMI forecast data for the US and European Union. By consensus, the US PMI for this month is predicted to rise to 52 from the previous month at level 49.8. As for the Eurozone, PMI is also predicted to experience an increase from the June 2020 level at 47.4 to 49.3. If the preliminary data release is in accordance with the consensus, it can also be the sign that economic activity especially in manufacturing will pick up. The increase in PMI will also positively impact the global monetary market, including stock market. If the world's major indices are capable to rally alongside the positive PMI data, it is expected to be a positive sentiment to JCI movement.

## Preliminary Europe Purchasing Managers Index (PMI)



Source: Bloomberg , NHKSI Research

## Preliminary US Purchasing Managers Index (PMI)



Source: Bloomberg , NHKSI Research

# Economic Calender

Date	Country	Hour JKT	Event	Period	Consensus	Previous
<b>Wednesday, 22 July</b>	US	18:00	MBA Mortgage Applications	Jun		5.1%
	US	21:00	Existing Home Sales	May	4.80m	3.91m
<b>Thursday, 23-July</b>	US	19:30	Initial Jobless Claims	Jul		1300k
	US	21:00	Leading Index	Jun	2.4%	2.8%
<b>Friday, 24-July</b>	UK	13:00	Retail Sales Ex Auto Fuel MoM	Jun		10.2%
	UK	13:00	Retail Sales Inc Auto Fuel MoM	Jun	9.0%	12.0%
	GE	14:30	Markit Germany Manufacturing PMI	Jul	47	45.2
	EC	15:00	Markit Eurozone Manufacturing PMI	Jul	49.3	47.4
	UK	15:30	Markit UK PMI Manufacturing SA	Jul	52	50.1
	US	20:40	Markit US Manufacturing PMI	Jul	52	49.8
	US	21:00	New Home Sales	Jun	700k	676k

Source: Bloomberg

# Corporate Action

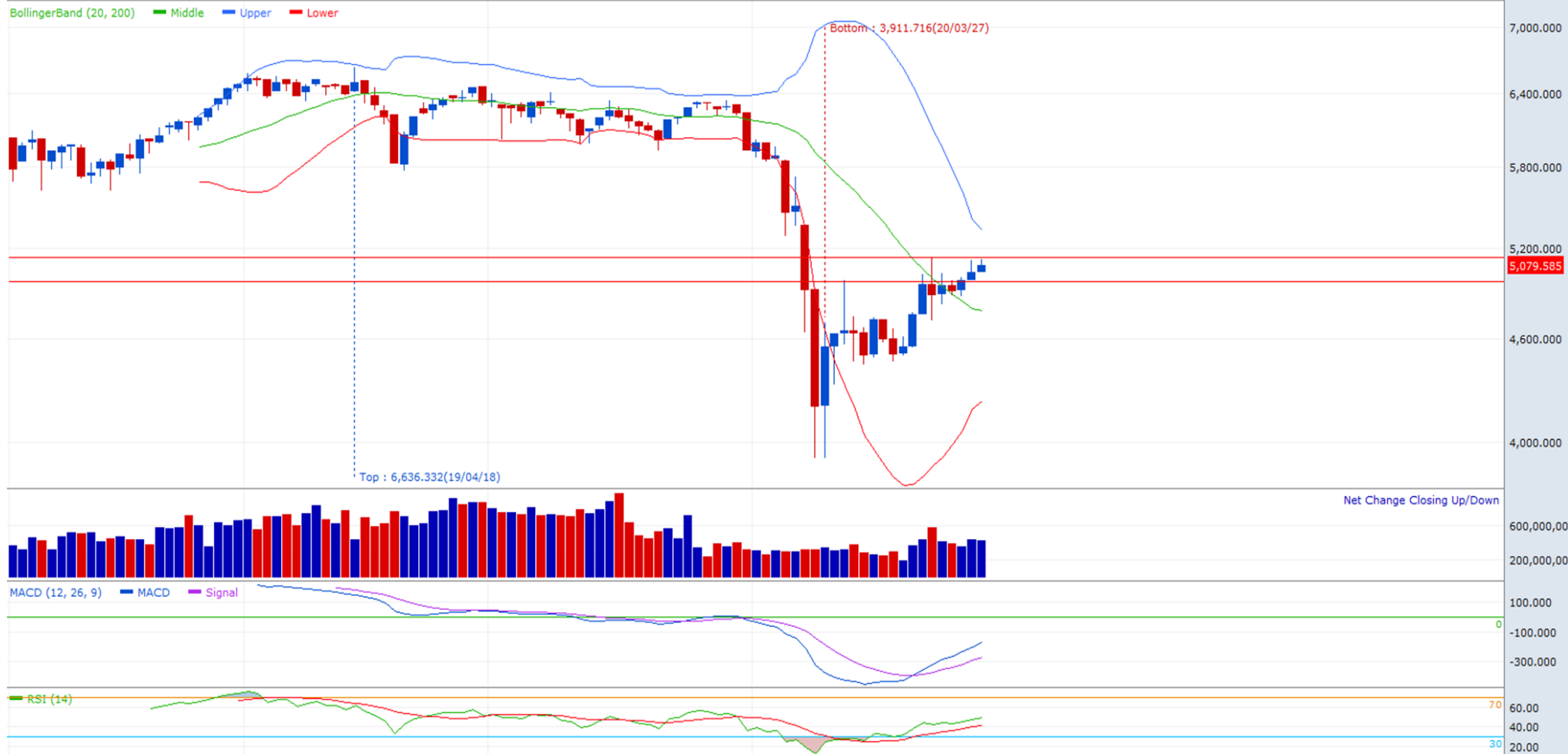
Date	Event	Company
<b>Monday, 20-July</b>	Cum Dividend	STTP, DUTI
	RUPS	NFCX, MCAS, ISAT, AMAG
	IPO	PPGL
	Warrant Seri 1	PPGL
<b>Tuesday, 21-July</b>	Dividend	KEJU
	RUPS	TFAS, NIKL, FISH, DIVA, BUKK
<b>Wednesday, 22-July</b>	Dividend	ASBI
	RUPS	SUPR, SOTS, SHIP, SAPX, LPLI
<b>Thursday, 23-July</b>	RUPS	WINS, VOKS, KDSI, BUMI, BJTM, ABDA
<b>Friday, 24-July</b>	RUPS	UNVR, SOCI, SMSM, RELI, RANC, PBSA, NOBU, ITIC, INDX

Source: RTI Analytics

# JCI Index

Open	5,031.26	Middle	4,771.51	MACD	-171,817	Support	4,970
High	5,116.46	Upper Limit	5,320.90	RSI	49.02	Resistance	5,140
Low	5,024.93	Lower Limit	4,222.11	SIGNAL	-268,278		
Close	5,079.59	Volume	425,274,157				

Last : 5,079.585 ▼ 18.789(0.37%) Volume : 77,903,299



Source: NHKSI Research

# INNI Index's Stocks List

	Last Price	Last Week's Price	2020's Price Target	Rating	Upside Potential (%)	One-Week Change (%)	Market Cap. (IDR tn)	Price / EPS (TTM)	Price / BVPS	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth Yoy (%)	EPS Growth Yoy (%)
<b>Finance</b>													
BBCA	30,600	31,000	28,950	Hold	(5.4)	-1.3%	754.4	25.9x	4.4x	17.6	1.8	13.9	8.5
BBRI	3,100	3,110	3,010	Hold	(2.9)	-0.3%	382.4	11.0x	2.1x	18.6	5.4	13.0	(0.3)
<b>Consumer</b>													
GGRM	49,600	46,875	59,550	Buy	20.1	5.8%	95.4	8.7x	1.8x	21.8	5.2	4.1	3.9
KINO	3,330	3,300	2,950	Hold	(11.4)	0.9%	4.8	17.5x	1.8x	10.5	3.2	11.1	(81.3)
ICBP	9,275	9,225	9,850	Hold	6.2	0.5%	108.2	19.0x	4.0x	22.6	1.5	6.7	47.8
KLBF	1,465	1,470	1,630	Hold	11.3	-0.3%	68.7	26.6x	4.2x	16.3	1.4	8.0	12.5
<b>Infrastructure</b>													
TLKM	3,060	3,110	3,800	Buy	24.2	-1.6%	303.1	16.6x	2.8x	17.3	5.0	(1.9)	(5.8)
JSMR	4,400	4,410	4,600	Hold	4.5	-0.2%	31.9	14.4x	1.6x	12.0	0.3	(45.3)	0.5
<b>Trade</b>													
UNTR	18,450	17,925	19,000	Hold	3.0	2.9%	68.8	6.8x	1.1x	16.9	6.6	(19.0)	(40.2)
MAPI	700	715	820	Buy	17.1	-2.1%	11.6	14.6x	2.0x	14.0	N/A	0.6	N/A
<b>Property</b>													
CTRA	645	650	810	Buy	25.6	-0.8%	12.0	11.3x	0.8x	7.2	1.6	(8.3)	(33.3)
WSKT	725	715	960	Buy	32.4	1.4%	9.8	37.2x	0.6x	1.5	0.5	(51.9)	(94.1)
WIKA	1,250	1,240	1,840	Buy	47.2	0.8%	11.2	5.3x	0.8x	14.3	4.1	(35.4)	(65.3)
<b>Basic Ind.</b>													
SMGR	9,350	9,425	10,925	Buy	16.8	-0.8%	55.5	21.6x	1.7x	8.0	0.4	5.6	66.7
<b>Misc Ind.</b>													
ASII	5,200	4,830	5,800	Hold	11.5	7.7%	210.5	9.9x	1.4x	14.4	4.1	(9.4)	(7.8)
<b>Mining</b>													
TINS	640	625	750	Buy	17.2	2.4%	4.8	N/A	1.0x	(22.6)	N/A	5.2	N/A
PTBA	2,140	2,070	2,900	Buy	35.5	3.4%	24.7	6.2x	1.2x	20.6	15.3	(4.0)	(25.0)
INCO	3,200	3,090	3,500	Hold	9.4	3.6%	31.8	20.3x	1.1x	5.6	N/A	38.1	N/A
ANTM	660	645	600	Hold	(9.1)	2.3%	15.9	N/A	0.9x	(1.4)	0.4	(16.3)	N/A
<b>Agriculture</b>													
AALI	9,175	8,475	10,000	Hold	9.0	8.3%	17.7	32.4x	0.9x	2.9	0.5	13.3	891.7

Source : Bloomberg, NHKS Research

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