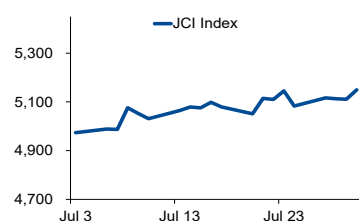
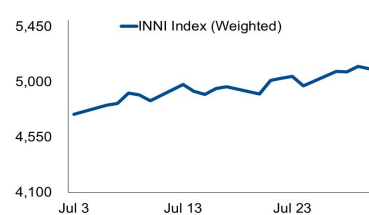


Morning Brief

JCI Movement



INNI Movement



Today's Outlook:

Recession Fears Loom over Markets

Dow Jones continues to strengthen in trade (03/08/2020), following the announcement of PMI data which rose to 54.2 or indicating an increase in manufacturing activity. Meanwhile, the Nasdaq index returned to record highs as the rally in technology-based stocks continued.

Domestically, the fall of the JCI yesterday was marked by the release of large amounts of foreign funds reaching IDR1.4 trillion. The recession that has hit various countries and the lockdown policy that was re-imposed in various regions raised concerns for market participants. As for today, JCI is still likely to rebound after it still managed to close above the psychological level of 5,000.

Company News

- BBTN : Optimistic to Develop PEN Funds
- WSKT : Releases Bonds on 10.75% Rate
- TBIG : Absorbs IDR1 Trillion Capex in Semester-I
- PTBA : Optimistic Sumsel PLTU Project Completed in 2022

Domestic & Global News

- BPS : 0.10% MoM Deflation Happened in July 2020
- PMI: UK Factory Output Grows at Fastest Rate Since 2017

Sectors

	Last	Chg.	%
Miscellaneous Industry	879.86	41.87	-4.54%
Property, Real Estate, and Construction	289.41	11.08	-3.69%
Infrastructure, Utilities, and Transportation	871.17	32.88	-3.64%
Basic Industries	729.44	22.63	-3.01%
Finance	1,104.88	30.04	-2.65%
Trade, Services, and Investment	608.529	14.46	-2.32%
Mining	1,339.64	30.52	-2.23%
Consumer Goods	1,844.74	41.22	-2.19%
Agriculture	1,132.92	23.40	-2.02%

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

Aug. 3	5,006.22
Chg.	-143.40pts (-2.78%)
Volume (bn shares)	101.07
Value (IDR tn)	10.90
Adv 54 Dec 401 Unc 250 Untr 121	

Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBRI	1,017.5	ASII	326.5
BBCA	835.2	TOWR	326.3
TLKM	746.8	PGAS	287.2
BMRI	719.3	ICBP	233.5
BBNI	326.5	TKIM	189.5

Foreign Transaction

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
Buy	2,084		
Sell	3,531		
Net Buy (Sell)			1,447
Top Buy	NB Val.	Top Sell	NS Val.
ICBP	39.4	BBRI	573.8
PTBA	12.6	TLKM	267.3
ERAA	7.7	ASII	141.2
SCMA	6.7	BBCA	81.8
MCAS	6.5	BMRI	76.2

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.85%	0.03%
USDIDR	14,630	0.21%
KRWIDR	12.25	-0.07%

Global Indices

Index	Last	Chg.	%
Dow Jones	26,664.40	236.08	0.89%
S&P 500	3,294.61	23.49	0.72%
FTSE 100	6,032.85	135.09	2.29%
DAX	12,646.98	333.62	2.71%
Nikkei	22,195.38	485.38	2.24%
Hang Seng	24,458.13	(137.22)	-0.56%
Shanghai	3,367.97	57.96	1.75%
KOSPI	2,251.04	1.67	0.07%
EIDO	18.22	(0.52)	-2.77%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,977.0	1.1	0.06%
Crude Oil (USD/B)	41.01	0.74	1.84%
ICE NewCastle (USD/ton)	61.40	(0.50)	-0.81%
LME Nickel (USD/MT)	13,945	159.0	1.15%
LME Tin (USD/MT)	18,013	116.0	0.65%
CPO (MYR/ton)	2,731	54.0	2.02%

BBTN : Optimistic to Develop PEN Funds

PT Bank Tabungan Negara Tbk (BBTN) is confident to develop PEN funds to reach IDR15 trillion, or triple the amount provided in September 2020, supported by the performance of lending up to July 2020 which was already above IDR4 trillion. BBTN predicts the trend of credit restructuring has the potential to go down and currently BBTN customers who are proposing restructuring amounts to around 15% of total customers. (Bisnis Indonesia)

TBIG : Absorbs IDR1 Trillion Capex in Semester-I

PT Tower Bersama Infrastructure Tbk (TBIG) has absorbed capex of IDR1 trillion in 1H20 which is used for new tower additions and collocation. This is in line with TBIG's focus on 2020 to continue to expand organically through the addition of new towers and tenancy. As for the end of 2020, TBIG has planned a capex of up to IDR2 trillion which will come from internal cash. (Kontan)

WSKT : Releases Bonds on 10.75% Rate

PT Waskita Karya Tbk (WSKT) issued sustainable bonds IV with a target fund of IDR4.9 trillion and first offered phase I sustainable bonds IV on August 3, 2020. The bonds were issued in 1 series with 10.75% interest per year with a three years tenor. WSKT hopes that through the issuance of these bonds, it will be able to raise IDR135 billion. (Kontan)

PTBA : Optimistic Sumsel PLTU Project Completed in 2022

PT Bukit Asam Tbk (PTBA) believes the South Sumatra PLTU 8 strategic project will be able to be completed in 1Q22 and currently, the progress has reached 45% despite being hampered this year due to the pandemic. To complete the project, PTBA must allocate a capex of IDR4 trillion. PTBA is currently cooperating with China Huadian Hongkong Company Ltd. and formed a consortium named Huadian Bukit Asam Power to run the project. (Kontan)

Domestic & Global News

BPS : 0.10% MoM Deflation Happened in July 2020

There was a price decline (deflation) in July 2020. According to records from the Central Statistics Agency (BPS), deflation was recorded at 0.10% MoM. This inflation achievement made the inflation rate for the calendar year (January 2020 - July 2020) to be 0.98% and the annual inflation rate at 1.54% yoy. (Kontan)

PMI: UK Factory Output Grows at Fastest Rate Since 2017

British manufacturing output grew at its fastest pace in nearly three years in July as factories reopened and demand began to pick up after the coronavirus lockdown was eased, a closely watched business survey showed on Monday. The IHS Markit/CIPS manufacturing Purchasing Managers' Index (PMI) rose to 53.3 in July from June's 50.1, broadly in line with an earlier flash estimate of 53.6 and the highest since March 2019. (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						(15.5)	2,100.0							
BBCA	30,650	33,425	30,100	Hold	(1.8)	(0.6)	755.7	27.0x	4.5x	17.0	1.8	6.6	(5.0)	1.1
BBRI	2,990	4,400	3,010	Hold	0.7	(32.8)	368.8	10.7x	2.1x	18.6	5.6	13.0	(0.3)	1.3
Consumer						(22.2)	1,058.3							
GGRM	48,325	53,000	59,550	Buy	23.2	(35.4)	93.0	8.9x	1.7x	21.0	5.4	1.7	(10.7)	0.9
KINO	3,320	3,430	2,950	Hold	(11.1)	7.1	4.7	17.4x	1.8x	10.7	3.3	(1.3)	(67.6)	0.9
ICBP	9,300	11,150	9,850	Hold	5.9	(14.3)	108.5	18.6x	4.0x	22.6	2.3	4.1	31.2	0.8
KLBF	1,560	1,620	1,630	Hold	4.5	7.2	73.1	27.7x	4.5x	17.0	1.3	3.8	10.3	1.1
Infrastructure						(27.2)	609.71							
TLKM	2,920	3,917	3,800	Buy	30.1	(30.9)	289.3	15.8x	2.7x	17.3	5.3	(1.9)	(5.8)	1.0
JSMR	3,860	5,175	4,550	Buy	17.9	(33.7)	28.0	22.4x	1.5x	6.9	0.4	(51.0)	(90.0)	1.3
EXCL	2,380	3,150	3,350	Buy	40.8	(27.0)	25.5	11.7x	1.2x	11.1	0.8	8.9	2740.0	1.1
TOWR	1,130	805	1,140	Hold	0.9	59.2	57.6	21.7x	6.1x	26.9	2.1	21.7	30.0	1.0
PGAS	1,200	2,170	1,400	Buy	16.7	(39.4)	29.1	39.4x	0.8x	1.9	3.5	(0.3)	(26.6)	1.6
Trade						(25.1)	541.2							
UNTR	20,450	21,525	19,000	Hold	(7.1)	(16.8)	76.3	7.8x	1.3x	17.3	5.9	(23.4)	(28.3)	0.9
MAPI	650	1,055	870	Buy	33.8	(34.3)	10.8	13.4x	1.8x	14.0	N/A	(100.0)	(99.9)	1.2
ERAA	1,490	1,795	2,000	Buy	34.2	(25.9)	4.8	15.9x	1.0x	6.3	N/A	(6.3)	5.9	1.5
Property						(40.3)	274.5							
CTRA	610	1,040	810	Buy	32.8	(52.2)	11.3	10.9x	0.8x	7.0	1.6	(10.8)	(43.8)	1.5
WSKT	585	1,485	820	Buy	40.2	(68.7)	7.9	30.0x	0.5x	1.5	0.6	(51.9)	(94.1)	1.8
WIKA	1,110	1,990	1,840	Buy	65.8	(51.1)	10.0	4.7x	0.7x	14.3	4.6	(35.4)	(65.3)	1.7
PWON	396	570	545	Buy	37.6	(43.4)	19.1	10.4x	1.3x	13.2	1.8	(43.7)	(64.7)	1.5
Basic Ind.						(11.7)	586.4							
SMGR	9,125	12,000	10,925	Buy	19.7	(29.5)	54.1	21.5x	1.7x	8.0	0.4	(2.0)	25.6	1.3
Misc Ind.						(29.5)	267.2							
ASII	4,880	6,925	5,350	Hold	9.6	(31.0)	197.6	8.5x	1.3x	15.9	4.4	(22.7)	16.1	1.3
Mining						(17.2)	309.8							
TINS	735	825	750	Hold	2.0	(26.1)	5.5	N/A	1.1x	(22.6)	N/A	(17.3)	N/A	1.5
PTBA	1,975	2,660	2,900	Buy	46.8	(26.6)	22.8	5.7x	1.1x	20.6	16.5	(4.0)	(25.0)	1.1
INCO	3,350	3,640	3,500	Hold	4.5	15.9	33.3	16.6x	1.1x	7.1	N/A	23.3	N/A	1.6
ANTM	700	840	850	Buy	21.4	(22.2)	16.8	N/A	0.9x	(0.5)	0.4	(36.0)	(80.2)	1.6
Agriculture						(15.4)	72.4							
AALI	9,550	14,575	10,000	Hold	4.7	(2.6)	18.4	32.9x	1.0x	3.0	0.5	6.5	796.6	1.4
LSIP	970	1,485	1,000	Hold	3.1	(8.1)	6.6	19.7x	0.8x	4.0	1.5	(1.9)	550.0	1.6

* Target Price

Source: Bloomberg, NHKSI Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	07:30	Markit Indonesia PMI Mfg	Jul	46.9	-	39.1
<i>03 - Aug</i>	CH	08:45	Caixin China PMI Mfg	Jul	52.8	51.2	51.2
	ID	11:00	CPI YoY	Jul	1.54%	1.70%	1.96%
	GE	14:55	Markit Germany Manufacturing PMI	Jul	51.0	50.0	50.0
	EC	15:00	Markit Eurozone Manufacturing PMI	Jul	51.8	51.1	51.1
	UK	15:30	Markit UK PMI Manufacturing SA	Jul	53.3	53.6	53.6
	US	20:45	Markit US Manufacturing PMI	Jul	50.9	51.3	51.3
	US	21:00	ISM Manufacturing	Jul	54.2	53.5	52.6
Tuesday	US	21:00	Durable Goods Orders	Jun			7.3%
<i>04 - Aug</i>							
Wednesday	ID	11:00	GDP YoY	2Q20		-4.49%	2.97%
<i>05 - Aug</i>	US	18:00	MBA Mortgage Applications	Jul			-0.8%
Thursday	GE	15:00	Factory Orders MoM	Jun			10.4%
<i>06 - Aug</i>	UK	18:00	Bank of England Bank Rate	Aug			0.1%
	US	19:30	Initial Jobless Claims	Aug			--
Friday	GE	13:00	Industrial Production SA MoM	Jun			7.8%
<i>07 - Aug</i>	US	19:30	Change in Nonfarm Payrolls	Jul			4800k
	US	19:30	Unemployment Rate	Jul			11.1%

Source: Bloomberg

Corporate Calendar

Date	Event	Company
Monday	RUPS	TOTO, INDX, BLUE, APII
<i>03 - August</i>		
Tuesday	Cum Dividend	UNVR, SMSM, AKRA
<i>04 - August</i>	RUPS	WTON, KIOS, IPCC
Wednesday	Cum Dividend	PGLI, ABDA
<i>05 - August</i>	RUPS	TPIA, SMBR, PURA, PGJO, MTPS, INDO, FORZ, DFAM, DEAL, CLAY, BCIP, APEX, ANDI, ACES
Thursday	Cum Dividend	XCID, SRSN
<i>06 - August</i>	IPO & Warrant Seri 1	TOYS
	RUPS	RUIS, MTLA, BRPT, BAPA, AMFG
Friday	RUPS	SINI, RODA, RMBA, REAL, PEGE, PANI, MLIA, LPGI, BMSR, AMAN
<i>07 - August</i>		

Source: RTI Analytics

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