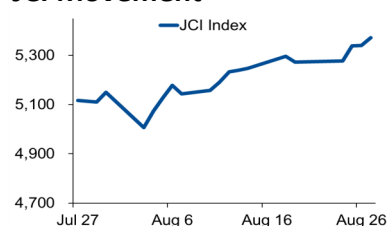
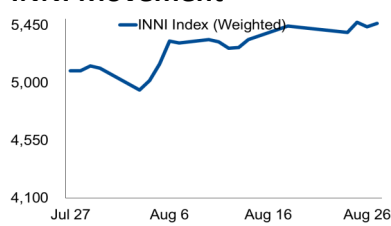


# Morning Brief

## JCI Movement



## INNI Movement



## Today's Outlook:

### The Fed's New Inflation Strategy

US market closed mixed as Dow Jones and S&P 500 continued to rally while the technology index Nasdaq declined. Investors are responding to the Federal Reserve's new inflation strategy where the central bank will allow inflation to run above its 2% target. This was taken as a signal that the current near 0% interest rate will be maintained for the foreseeable future.

The sentiment from the Fed will also be a catalyst of JCI's movement. However, investors should be cautious to potential profit taking action at the end of the week after market has rallied for 4 consecutive days.

## Company News

- PTPP : New Contracts Reach 40% of Target
- AKRA : Optimistic 2020 Performance as Targeted
- WTON : Received IDR2 Trillion New Contract
- BNLI : Ready to Go to BUKU IV before the End of 2020

## Domestic & Global News

- Ministry of Finance: Tax Restitution Up 10.8% Until July
- U.S. Weekly Jobless Claims Drift Around 1 Million

## Sectors

	Last	Chg.	%
Finance	1,229.33	16.46	1.36%
Basic Industries	767.45	5.21	0.68%
Consumer Goods	1,971.15	13.16	0.67%
Trade, Services, and Investment	637.19	0.29	0.05%
Mining	1,421.87	0.93	-0.07%
Property, Real Estate, and Construction	301.68	0.28	-0.09%
Infrastructure, Utilities, and Transportation	883.09	4.81	-0.54%
Agriculture	1,176.13	8.74	-0.74%
Miscellaneous Industry	940.51	8.30	-0.87%

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.00%	4.25%	Real GDP	-5.32%	2.97%
FX Reserve (USD bn)	135.10	131.70	Current Acc (USD bn)	(2.90)	(8.08)
Trd Balance (USD bn)	3.26	1.27	Govt. Spending Yoy	-6.90%	3.75%
Exports Yoy	-9.90%	2.28%	FDI (USD bn)	4.07	4.60
Imports Yoy	-32.55%	-6.36%	Business Confidence	104.82	105.33
Inflation Yoy	1.54%	1.96%	Cons. Confidence*	86.20	83.80

## JCI Index

Aug. 27	5,371.47
Chg.	+31.14pts (+0.58%)
Volume (bn shares)	156.43
Value (IDR tn)	10.62
Adv 211 Dec 223 Unc 274 Untr 108	

## Most Active Stocks

(IDR bn)			
by Value			
Stocks	Val.	Stocks	Val.
BBRI	696.8	BMRI	292.6
BRIS	621.4	MDKA	262.9
BBCA	442.5	BBKP	233.8
TLKM	307.4	BEST	169.6
BBNI	302.4	BOGA	161.0

## Foreign Transaction

(IDR bn)	
Buy	3,066
Sell	2,842
Net Buy (Sell)	224

Top Buy	NB Val.	Top Sell	NS Val.
BBCA	166.6	TLKM	189.9
BNLI	23.6	BBRI	109.0
TOWR	22.3	BMRI	99.5
CPIN	21.6	MDKA	83.0
ADRO	13.6	GGRM	80.7

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.81%	0.02%
USDIDR	14,660	-0.12%
KRWIDR	12.39	0.20%

## Global Indices

Index	Last	Chg.	%
Dow Jones	28,492.27	160.35	0.57%
S&P 500	3,484.55	5.82	0.17%
FTSE 100	5,999.99	(45.61)	-0.75%
DAX	13,096.36	(93.79)	-0.71%
Nikkei	23,208.86	(82.00)	-0.35%
Hang Seng	25,281.15	(210.64)	-0.83%
Shanghai	3,350.11	20.37	0.61%
KOSPI	2,344.45	(24.87)	-1.05%
EIDO	19.90	(0.34)	-1.68%

## Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,929.5	(24.9)	-1.28%
Crude Oil (USD/B)	43.04	(0.35)	-0.81%
ICE NewCastle (USD/ton)	60.40	1.40	2.37%
LME Nickel (USD/MT)	15,191	32.0	0.21%
LME Tin (USD/MT)	17,810	260.0	1.48%
CPO (MYR/ton)	2,682	37.0	1.40%

### **PTPP : New Contracts Reach 40% of Target**

PT PP (Persero) Tbk (PTPP) has won new contracts amounting to IDR10.05 trillion by July 2020 or 40% of the total target set at IDR25.53 trillion by the end of 2020. Based on contract ownership, 45% of new contracts originating from BUMN, followed by the government at 31% and the private sector at 24% of the total new contracts acquired. (Kontan)

### **WTON : Received IDR2 Trillion New Contract**

PT Wijaya Karya Beton Tbk (WTON) recorded a new contract of IDR2 trillion as of August 27. By sector, infrastructure is the main contributor with 71.46%. Then followed by industry 13.2%, energy 9.97%, property 5.11%, and mining 0.26%. The majority of new contracts obtained came from the private sector as much as 59.76%, from BUMN at 24.05%, from the parent company namely PT Wijaya Karya (Persero) Tbk at 13.6%, and from government projects as much as 2.59%. (Kontan)

### **AKRA : Optimistic 2020 Performance as Targeted**

PT AKR Corporindo Tbk (AKRA) is optimistic that its financial performance until the end of the year will remain on target by considering the slick performance of the company in 1H20. AKRA's revenue increases 10% YoY to IDR10 trillion. Meanwhile, its net profit rose 11% YoY to IDR432 billion. In addition, sales of fuel oil (BBM), which is the company's main business, are equivalent to 90% of sales volume before the pandemic. (Kontan)

### **BNLI : Ready to Go to BUKU IV before the End of 2020**

PT Bank Permata Tbk (BNLI) is ready to upgrade to a Commercial Bank Business Activity (BUKU) IV with a core capital of more than IDR30 trillion after being acquired by Bangkok Bank which is targeted for completion before the end of this year. In addition, as of June 2020, BNLI recorded a consolidated core capital of IDR22.21 trillion. Meanwhile, capital at the Bangkok Bank branch offices in Indonesia is around IDR21 trillion. Thus, the total capital of BNLI after the merger will exceed IDR40 trillion. (Bisnis Indonesia)

## Domestic & Global News

### **Ministry of Finance: Tax Restitution Up 10.8% Until July**

The Ministry of Finance (Kemenkeu) noted that the realization of tax refunds or tax returns up to July grew 10.8% year on year (yoy). Danny Darussalam Tax Center (DDTC) assessed that this year, tax refunds will increase along with the government's efforts to anticipate the impact of the Covid-19 pandemic. Tax refunds are actually very petrifying in the business world during the current pandemic. In particular, to ensure the availability of cash flow of business actors, in this case the Corporate taxpayer (WP). (Kontan)

### **U.S. Weekly Jobless Claims Drift Around 1 Million**

The number of Americans filing new claims for unemployment benefits hovered around 1 million last week, suggesting the labor market recovery was stalling as the COVID-19 pandemic drags on and financial aid from the government dries up. Initial claims for state unemployment benefits totaled a seasonally adjusted 1.006 million for the week ended Aug. 22, compared to 1.104 million in the prior week, the Labor Department said on Thursday. Economists polled by Reuters had forecast 1.0 million applications in the latest week. (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
<b>Finance</b>						(1.5)	2,338.0							
BBCA	33,000	33,425	30,100	Hold	(8.8)	10.1	813.6	29.1x	4.8x	17.0	1.7	6.6	(5.0)	1.1
BBRI	3,700	4,400	3,010	Sell	(18.6)	(11.7)	456.4	16.0x	2.4x	15.2	4.5	(2.1)	(37.2)	1.3
<b>Consumer</b>						(19.1)	1,131.4							
GGRM	51,900	53,000	59,600	Hold	14.8	(30.4)	99.9	9.6x	1.8x	21.0	5.0	1.7	(10.7)	0.9
KINO	3,160	3,430	2,950	Hold	(6.6)	2.6	4.5	16.5x	1.7x	10.7	3.4	(1.3)	(67.6)	0.9
ICBP	10,350	11,150	9,850	Hold	(4.8)	(12.5)	120.7	20.7x	4.2x	22.7	2.1	4.1	31.2	0.8
KLBF	1,615	1,620	1,870	Buy	15.8	(2.4)	75.7	28.7x	4.6x	17.0	1.2	3.8	10.3	1.1
<b>Infrastructure</b>						(27.5)	618.44							
TLKM	2,990	3,917	3,800	Buy	27.1	(30.7)	296.2	15.9x	3.1x	19.6	5.2	(3.6)	(0.8)	1.0
JSMR	3,940	5,175	4,550	Buy	15.5	(26.4)	28.6	22.8x	1.5x	6.9	0.4	(51.0)	(90.0)	1.3
EXCL	2,540	3,150	3,350	Buy	31.9	(23.7)	27.2	12.5x	1.3x	11.1	0.8	6.7	526.9	1.1
TOWR	1,040	805	1,140	Hold	9.6	49.6	53.1	19.8x	5.7x	31.1	2.3	21.7	30.0	1.0
PGAS	1,315	2,170	1,400	Hold	6.5	(32.9)	31.9	43.2x	0.8x	1.9	3.2	(0.3)	(26.6)	1.6
TBIG	1,250	1,230	1,400	Hold	12.0	17.9	28.3	27.5x	4.8x	21.9	2.2	13.2	33.8	1.0
<b>Trade</b>						(19.4)	567.4							
UNTR	23,525	21,525	19,000	Sell	(19.2)	12.6	87.8	9.0x	1.5x	17.3	5.2	(23.4)	(28.3)	0.9
MAPI	685	1,055	870	Buy	27.0	(30.8)	11.4	431.6x	2.1x	0.5	N/A	(32.2)	N/A	1.2
ERAA	1,695	1,795	2,000	Buy	18.0	9.4	5.4	18.1x	1.1x	6.3	N/A	(6.3)	5.9	1.5
<b>Property</b>						(39.0)	286.2							
CTRA	770	1,040	810	Hold	5.2	(29.4)	14.3	13.7x	1.0x	7.0	1.0	(10.8)	(43.8)	1.5
WSKT	675	1,485	820	Buy	21.5	(61.2)	9.2	34.6x	0.6x	1.5	0.5	(51.9)	(94.1)	1.8
WIKA	1,270	1,990	1,840	Buy	44.9	(43.6)	11.4	6.9x	0.8x	11.3	4.0	(37.2)	(71.9)	1.8
PTPP	1,005	1,585	1,250	Buy	24.4	(45.1)	6.2	10.7x	0.6x	4.9	3.4	(36.6)	(94.5)	1.8
PWON	418	570	545	Buy	30.4	(33.1)	20.1	11.0x	1.4x	13.2	1.7	(43.7)	(64.7)	1.5
<b>Basic Ind.</b>						(11.9)	617.0							
SMGR	10,675	12,000	11,500	Hold	7.7	(17.6)	63.3	25.1x	1.9x	8.0	0.4	(2.0)	25.6	1.3
<b>Misc Ind.</b>						(18.4)	286.3							
ASII	5,300	6,925	5,350	Hold	0.9	(17.8)	214.6	9.2x	1.4x	15.9	4.0	(22.7)	16.1	1.3
<b>Mining</b>						(10.4)	328.8							
TINS	775	825	750	Hold	(3.2)	(22.1)	5.8	N/A	1.2x	(21.4)	N/A	(18.5)	N/A	1.5
PTBA	2,130	2,660	2,900	Buy	36.2	(11.6)	24.5	6.2x	1.2x	20.6	15.3	(4.0)	(25.0)	1.1
INCO	3,830	3,640	3,500	Hold	(8.6)	15.0	38.1	19.0x	1.3x	7.1	N/A	23.3	N/A	1.6
ANTM	795	840	850	Hold	6.9	(24.3)	19.1	N/A	1.1x	(0.5)	0.4	(36.0)	(80.2)	1.5
<b>Agriculture</b>						(14.1)	75.1							
AALI	10,025	14,575	14,200	Buy	41.6	(4.8)	19.3	34.5x	1.0x	3.0	0.5	6.5	796.6	1.5
LSIP	965	1,485	1,200	Buy	24.4	(20.9)	6.6	19.6x	0.8x	4.0	1.6	(1.9)	550.0	1.6

\* Target Price

Source: Bloomberg, NHKSI Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Tuesday</b>	GE	15:00	IFO Business Climate	Aug	92.6	92.1	90.5
<i>25 - Aug</i>	GE	15:00	IFO Expectations	Aug	97.5	98.0	97
	US	21:00	Conf. Board Consumer Confidence	Aug	84.8	93.2	92.6
	US	21:00	New Home Sales	Jul	901k	766k	776k
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Aug	-6.5%	--	-3.3%
<i>26 - Aug</i>	US	19:30	Durable Goods Orders	Jul	11.2%	4.7%	7.6%
<b>Thursday</b>	EC	15:00	M3 Money Supply YoY	Jul	10.2%	9.2%	9.2%
<i>27 - Aug</i>	US	19:30	GDP Annualized QoQ	2Q20	-31.7%	-32.5%	-32.9%
	US	19:30	Initial Jobless Claims	Aug	1006k	1000k	1106k
<b>Friday</b>	US	19:30	Personal Income	Jul		-0.1%	-1.1%
<i>28 - Aug</i>	US	19:30	Wholesale Inventories MoM	Jul		--	-1.4%
	US	19:30	Personal Spending	Jul		1.5%	5.6%
	US	20:45	MNI Chicago PMI	Aug		--	51.9
	US	21:00	U. of Mich. Sentiment	Aug		72.8	72.8

Source: Bloomberg

## Corporate Calendar

Date	Event	Company
<b>Monday</b>	Cum Dividend	MBAP, MARK
<i>24 - Aug</i>	RUPS	ZINC, WOWS, SMDM, RICY, POSA, PJAA, LAND, KARW, INCI, IFSH, HITS, FORZ, FITT, FILM, EMDE, CASS, APIC
<b>Tuesday</b>	Cum Dividend	MREI, ,MOLI, HRTA, GEMS
<i>25 - Aug</i>	RUPS	TRST, TMPO,TKIM, TFCO, TALF, PWON, PSKT, PSAB, POLU, NASA, MDRN, MAMI, LCKM, KPAS, KOPI, JTPE, JMAS, INKP, INAI, IKAN, HRUM, FINN, DGIK, DADA, CPIN, CEKA, CAMP, BMAS, BISI, BBKP, BAPI, ALMI, AGRS
<b>Wednesday</b>	Cum Dividend	RDTX
<i>26 - Aug</i>	RUPS	WAPO, TRUS, TRIM, TOBA, TIRA, PSGO, POLL, POLI, PDES, MNCN, MKNT, MDLN, MAPB, MAPA, LCGP, KOIN, KKG, KIAS, JSKY, INTD, IKBI, IBFN, HRME, GDST, GAMA, FOOD, DLTA, CSMI, CITY, BYAN, BTON, BAYU, ASRI, ARTI, AMAR
<b>Thursday</b>	Cum Dividend	MFIN
<i>27 - Aug</i>	RUPS	WEHA, TRJA, TIFA, SRAJ, SIDO, SGRO, SBAT, PSDN, PBRX, PADI, MTFN, MINA, MAPI, KONI, KOBX, KICI, JAYA, ITMA, HOME, HADE, COCO, BLTA, BIPI, BCIC, BATA, ARTA, ADES
<b>Friday</b>	RUPS	VICO, TIRT, TEBE, SULI, SQMI, PTPW, PRAS, POOL, PNLF, PNIN, PANR, NATO, MYTX, MTSM, MRAT, MPRO, MLBI, MAIN, LPPS, LAPD, JKSW, JAWA, INRU, IIKP, HKMU, HDFA, GZCO, GTBO, GGRM, GEMA, DKFT, DEFI, DART, BUVA, BOSS, BGTG, BALI, ASMI, ARII, ARGO, AHAP, AGII, AGAR

Source: RTI Analytics

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