

KEY INDICATOR

03/08/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.85	6.83	2.50	(71.90)
USD/IDR	14,630.00	14,600.00	0.21%	3.14%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,006.22	-2.78%	-20.53%	17.51
MSCI	5,642.69	-3.53%	-22.58%	17.92
HSEI	24,458.13	-0.56%	-13.24%	11.31
FTSE	6,032.85	2.29%	-20.01%	19.68
DJIA	26,664.40	0.89%	-6.57%	24.04
NASDAQ	10,902.80	1.47%	21.51%	38.36

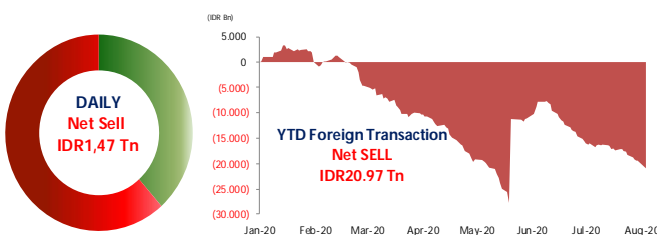
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	41.01	1.84%	-26.32%	-32.84%
COAL	USD/TON	52.60	1.25%	-23.93%	-22.30%
CPO	MYR/MT	2,731.00	2.02%	32.44%	-10.52%
GOLD	USD/TOZ	1,976.98	0.06%	37.21%	30.30%
TIN	USD/MT	18,013.00	0.65%	6.08%	4.88%
NICKEL	USD/MT	13,945.00	1.15%	-3.49%	-0.57%

CORPORATE ACTION

TICKER	EVENT	NOTES
AKRA	Cum Dividend Date	IDR110/share
PBSA	Cum Dividend Date	IDR33/share
UNVR	Cum Dividend Date	IDR107/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA rose by 0.44% on Friday (31/07) followed by S&P 500 (+0.77%) and Nasdaq (+1.49%). Stock closes higher as biggest tech companies such as Amazon, Apple and Facebook, buoyed the S&P 500 and offset disappointing earnings from some industrials and weak economic data. Meanwhile, consumer spending rose 5.6% in Jun-2020 but appears to have weakened in recent weeks, restraining the economic recovery from the coronavirus outbreak. Moreover, the market will look forward to several data releases today, such as: 1) US Manufacturing PMI; 2) China Caixin Manufacturing PMI; 3) Japan GDP Growth.

Domestic Updates

Indonesia's inflation rate dropped to 1.54% YoY / -0.1% MoM in July 2020. This is the lowest since May 2000 and below market expectations of 1.66% as the restriction measures imposed by the government to halt the rapid spread of Covid-19 led consumers to stay at home. Prices rose at a softer pace for housing & utilities (0.93% vs 1.12% in June), food, drinks, tobacco (1.73% vs 3.03%), food services & restaurant (2.57% vs 2.96%), recreation, sport & culture (1.26% vs 1.42%), furnishings (1.52% vs 1.66%) and education (2.66% vs 3.66%). On the other hand, prices fell further for both transport (-0.71% vs -1.37%) and information, communication & financial services (-0.31% vs -0.30%).

Company News

1. **ICBP IJ** managed to score a significant profit growth in 1H20, rising by 31.2% YoY to IDR3.38 tn. This was caused by the 4.14% YoY increase in sales of IDR23.05 tn. Although COGS (+0.67% YoY), sales and distribution expenses (+5.1% YoY), and G&A expenses (+11.06% YoY) all have increased, the company was also able to increase operating income in other lines (+133.8% YoY) and reduce other operating expenses (-0.62% YoY) (Market Bisnis). **MNCS Comment: ICBP 1H20 net profits came in IDR3.38 tn, beating the consensus and our estimate, forming 60%/63% of consensus and MNCS FY20E estimate. We maintain our BUY recommendation of ICBP with a TP at IDR10,300. ICBP is currently traded at 13.68x/3.97x PE/PBV.**
2. **MYOR IJ** reported 2Q20 revenue of IDR11.08 tn, an 8.10% YoY decrease. Domestic attributed to IDR6.88 tn of the revenue, while export was IDR4.2 tn. The decline in export sales was offset by higher domestic sales due to its strong and diversified brand. Despite the revenue decline, it also reported a 1H20 net profit increase of 16.22% YoY, reaching IDR938.47. It is the only FMCG company with an increase in net profit, as competitors like UNVR IJ and KINO IJ saw a decline due to Covid-19. The profit growth was a result of reducing short-term bank loans and foreign exchange earnings (Market Bisnis). **MNCS Comment: Despite the export sales slowing down, we believe MYOR's strong brands and solid market position will support its profitability as they give the company sufficient pricing power to weather cost increases. MYOR is currently traded at 27.28x/4.83x PE/PBV.**
3. **KLBF IJ** reported revenue growth of 3.8% YoY to IDR11.60 tn in 1H20. Net profit also substantially increased by 10.4% YoY to IDR1.38 tn. The company maintained positive and stable sales and net profit due to the distribution and logistics division. The line recorded an increase in sales of 10.1% YoY to IDR3.75 tn, which is 32.4% of the company's total net sales in 1H20. Other divisions, such as health products and nutrition, also saw an increase in sales (Market Bisnis). **MNCS Comment: We believe KLBF continued to make efficiency gains amid this challenging situation. To mitigate the impact of Covid-19, the management stated that it had already secured most of its raw materials supply by using many vendors. KLBF is currently traded at 26.35x/4.47x PE/PBV.**
4. **ANTM IJ** reported a decline in financial performance in 1H20 despite the soaring gold prices. The decline was caused by the drastic reduction in sales, decreasing by -36% YoY to IDR9.2 tn from IDR14.42 tn. Furthermore, the company's other expenses rose significantly too by 248.45% YoY to IDR318.7 bn, even though its COGS has been reduced from IDR12.27 tn last year, to IDR7.9 tn. Thus, the company only pocketed a net profit of IDR84.42 bn, a whopping -80.1% YoY decrease (Market Bisnis). **MNCS Comment: We see the substantial decrease on revenue was caused by a -49.72% YoY drop in gold sales from 15,741 kg in 1H19 to only 7,915 kg in 1H20 while other expense surge was caused by a loss on foreign exchange reaching IDR156.54 bn in 1H20. ANTM is currently traded at 0.93x PBV.**

IHSG Updates

JCI dropped by -2.78% to 5,006.22 on Monday (03/08) followed by net foreign sell reaching IDR1.48 trillion. Stock price drop was caused by the foreign investors concerns towards the economic growth data that will be released on Thursday (05/08) and the following recession potential and the 2Q20 earnings performance that is expected to be disappointing. Furthermore, the Ministry of Finance and consensus estimate that GDP will be -3.1% to -4.2% YoY. Meanwhile, the CPI shows a deflation in July which reflecting a low purchasing power. Moreover, the Rupiah exchange rate was weakening at IDR14,630. We estimate JCI will move in the range of 4,977-5,030 while waiting for Inflation Rate. **Today's recommendation: BBNI, MAPI, CPIN, PGAS.**

Stock	Close Price	Recommendation	Tactical Moves
BBNI	4,440	Buy on Weakness	BBNI is at the end of wave (iii) of wave [c] of wave 4 and has the potential to strengthen in the short term to form wave (iv).
MAPI	650	Buy on Weakness	Currently MAPI is at the end of wave v of wave (c) of wave [a].
CPIN	5,925	Buy on Weakness	CPIN is forming wave (c) of wave [b] of wave 5.
PGAS	1,200	Sell on Strength	As long as PGAS is unable to strengthen above 1,280 again, it is currently at the beginning of its correction phase to form wave (B).

MNCS UNIVERSE

Code	Company Name	Mkt Cap (Rp bn)	Index Weight (%)	Rating	Price Target (Rp)	EPS Growth (%)		PER (x)		PBV (x)	
						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F
Automotive											
ASII IJ	Astra International Tbk PT	197,560	3.54	BUY	5,500	(24.25)	25.37	12.02	9.59	0.99	0.92
Banking											
BBCA IJ	Bank Central Asia Tbk PT	755,676	13.40	HOLD	28,400	7.00	9.09	24.72	22.66	3.89	3.45
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	82,800	1.47	HOLD	4,300	(2.68)	5.97	5.53	5.22	0.72	0.66
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	368,804	6.54	HOLD	3,200	(7.81)	1.06	11.53	11.41	1.74	1.60
BMRI IJ	Bank Mandiri Persero Tbk PT	256,667	4.55	HOLD	5,100	(4.62)	9.13	9.79	8.97	1.16	1.07
BNGA IJ	Bank CIMB Niaga Tbk PT	18,597	0.33	BUY	850	2.43	9.99	4.94	4.49	0.44	0.43
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	12,814	0.23	SELL	1,000	(24.98)	497.17	80.65	13.50	0.76	0.72
BRIS IJ	Bank Brisyariah Tbk PT	5,004	0.09	SELL	230	(32.21)	9.83	99.70	90.78	0.98	0.97
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	289,262	5.18	BUY	3,600	(8.00)	8.33	15.21	14.04	2.70	2.55
EXCL IJ	XL Axiata Tbk PT	25,480	0.46	BUY	2,700	21.73	5.39	29.18	27.69	1.27	1.22
TOWR IJ	Sarana Menara Nusantara Tbk PT	57,647	1.03	SELL	950	13.11	8.81	22.34	20.53	5.45	4.81
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	28,015	0.50	SELL	3,450	6.41	13.25	12.93	11.42	1.13	1.02
PGAS IJ	Perusahaan Gas Negara Tbk PT	29,090	0.52	HOLD	1,200	83.33	27.27	13.39	10.52	0.47	0.45
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	314,738	5.64	HOLD	8,400	1.60	6.48	41.90	39.35	36.65	34.44
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	108,456	1.94	BUY	10,300	6.31	9.52	20.21	18.45	3.97	3.58
INDF IJ	Indofood Sukses Makmur Tbk PT	56,853	1.02	BUY	8,500	3.50	11.05	11.19	10.08	1.41	1.29
HOKI IJ	Buyung Poetra Sembada PT	1,539	0.03	HOLD	700	(26.89)	37.61	20.05	14.57	2.08	1.76
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	19,275	0.35	HOLD	1,400	9.01	13.34	21.71	19.15	5.85	5.49
TBLA IJ	Tunas Baru Lampung Tbk PT	3,953	0.07	SELL	630	(43.57)	5.01	9.75	9.28	0.74	0.70
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	73,125	1.31	SELL	1,280	4.28	7.25	27.97	26.08	4.14	3.81
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	29,155	0.52	SELL	1,400	(6.76)	6.90	30.07	28.13	5.34	4.88
ERAA IJ	Erajaya Swasembada Tbk PT	4,753	0.09	SELL	1,280	13.54	66.00	14.26	8.59	0.85	0.77
MAPI IJ	Mitra Adiperkasa Tbk PT	10,790	0.19	SELL	580	4.92	5.28	11.33	10.77	1.43	1.25
RALS IJ	Ramayana Lestari Sentosa Tbk PT	3,761	0.07	HOLD	500	(32.91)	25.56	8.16	6.50	0.84	0.79
PZZA IJ	Sarimelati Kencana PT	1,783	0.03	BUY	840	4.23	20.53	8.58	7.12	1.13	0.97
Construction											
ADHI IJ	Adhi Karya Persero Tbk PT	2,012	0.04	BUY	755	(74.40)	99.60	11.24	5.63	0.30	0.28
PTPP IJ	PP Persero Tbk PT	5,642	0.10	BUY	1,040	40.73	28.86	4.31	3.35	0.31	0.28
WIKA IJ	Wijaya Karya Persero Tbk PT	9,957	0.18	BUY	1,225	17.35	20.10	3.71	3.09	0.53	0.46
WSBP IJ	Waskita Beton Precast Tbk PT	4,903	0.09	BUY	262	(29.90)	18.70	8.07	6.80	0.55	0.53
WSKT IJ	Waskita Karya Persero Tbk PT	7,941	0.14	BUY	880	8.47	137.68	7.80	3.28	0.27	0.27
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,733	0.03	BUY	300	4.17	20.85	3.68	3.05	0.62	0.53



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
Property												
BSDE IJ	Bumi Serpong Damai Tbk PT	13,867	0.25	BUY	1,110	(7.75)	12.60	4.83	4.29	0.35	0.32	
PWON IJ	Pakuwon Jati Tbk PT	19,071	0.34	BUY	520	(9.02)	(3.70)	7.97	8.27	1.09	0.98	
SMRA IJ	Summarecon Agung Tbk PT	8,079	0.14	HOLD	610	(69.64)	44.19	51.66	35.83	0.84	0.82	
CTRA IJ	Ciputra Development Tbk PT	11,322	0.20	BUY	880	8.58	(11.20)	9.06	10.20	0.69	0.65	
DMAS IJ	Puradelta Lestari Tbk PT	10,218	0.18	HOLD	228	(30.89)	31.52	11.07	8.42	1.70	1.90	
Agriculture												
AALI IJ	Astra Agro Lestari Tbk PT	18,381	0.33	HOLD	9,125	240.96	15.24	25.53	22.16	0.96	0.92	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,618	0.12	HOLD	1,000	27.51	22.68	20.56	16.76	1.17	1.02	
Coal Mining												
ADRO IJ	Adaro Energy Tbk PT	32,946	0.59	BUY	1,310	(18.31)	0.59	6.12	6.08	0.49	0.47	
PTBA IJ	Bukit Asam Tbk PT	22,753	0.41	BUY	2,390	(16.98)	4.55	6.41	6.13	1.22	1.20	
ITMG IJ	Indo Tambangraya Megah Tbk PT	8,644	0.15	BUY	10,630	(58.33)	(20.00)	9.39	11.73	0.34	0.29	
Metal Mining												
ANTM IJ	Aneka Tambang Tbk	16,822	0.30	BUY	920	26.09	42.23	14.06	9.88	0.76	0.71	
INCO IJ	Vale Indonesia Tbk PT	33,287	0.60	HOLD	3,590	13.79	2.00	41.10	40.30	1.03	1.00	
MDKA IJ	Merdeka Copper Gold Tbk PT	38,211	0.68	HOLD	1,595	(21.21)	25.00	26.76	21.41	3.57	2.82	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	97,158	1.74	SELL	4,150	9.82	15.94	25.36	21.87	4.03	3.58	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	11,727	0.21	BUY	1,150	(60.18)	121.37	16.63	7.51	0.98	0.88	
Cigarette												
GGRM IJ	Gudang Garam Tbk PT	92,982	1.67	BUY	55,450	(16.02)	8.63	10.18	9.37	1.74	1.59	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	187,854	3.37	HOLD	1,650	(22.03)	3.26	17.55	17.00	5.60	5.63	
Cement												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	43,807	0.78	BUY	13,900	19.34	12.44	20.00	17.79	1.86	1.82	
SMGR IJ	Semen Indonesia Persero Tbk PT	54,125	0.97	HOLD	9,000	30.77	(33.40)	17.31	26.00	1.60	1.56	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	3,098	0.06	HOLD	450	18.73	7.01	12.09	11.29	1.99	1.56	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	76,281	1.37	HOLD	19,930	(18.84)	13.03	8.31	7.35	1.13	0.98	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	14.05	1.75
JAKCONS INDEX	18.29	3.93
JAKINFRA INDEX	34.84	1.95
JAKBIND INDEX	42.96	1.78
JAKTRAD INDEX	15.40	1.27
JAKPROP INDEX	19.59	0.27
JAKMINE INDEX	11.91	1.04
JAKMIND INDEX	10.39	1.12
JAKAGRI INDEX	-	0.90

RATING AND RECOMMENDATIONS

MNCS' fundamental views and ratings (Buy, Hold, Sell) are medium-term calls within a 12-month investment horizon.

BUY Share price may exceed 10% over the next 12 months

HOLD Share price may fall within the range of +/- 10% of the next 12 months

SELL Share price may fall by more than 10% over the next 12 months

NOT RATED Stock is not within regular research coverage





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