

KEY INDICATOR

04/08/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.84	6.85	(0.70)	(83.30)
USD/IDR	14,625.00	14,630.00	-0.03%	2.60%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,075.00	1.37%	-19.44%	17.88
MSCI	5,746.01	1.83%	-21.16%	18.24
HSEI	24,946.63	2.00%	-11.50%	11.57
FTSE	6,036.00	0.05%	-19.97%	19.68
DJIA	26,828.47	0.62%	-5.99%	24.23
NASDAQ	10,941.17	0.35%	21.94%	38.31

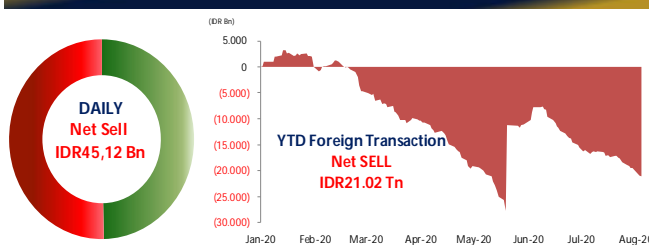
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	41.70	1.68%	-23.75%	-31.71%
COAL	USD/TON	52.45	-0.29%	-23.88%	-22.53%
CPO	MYR/MT	2,768.00	1.35%	32.25%	-9.31%
GOLD	USD/TOZ	2,019.21	2.14%	37.95%	33.08%
TIN	USD/MT	17,770.00	-1.35%	5.12%	3.46%
NICKEL	USD/MT	14,113.00	1.20%	-5.15%	0.63%

CORPORATE ACTION

TICKER	EVENT	NOTES
WIIM	Cum Dividend Date	IDR3.5/share
PGLI	Cum Dividend Date	IDR1/share
MGRO	Cum Dividend Date	IDR1/share

NET FOREIGN TRADING VALUE



Global Market Highlight

**DJIA rose by +0.62% on Tuesday (04/08)** followed by S&P 500 (+0.36%) and Nasdaq (+0.35%). The strengthening was driven by the positive 2Q performance of technology companies in the US. Another supporting sentiment is from pharmaceutical company, Eli Lilly, who is starting a third phase of a trial for the LY-CoV555 coded drug which is believed to prevent the spread of the Covid-19 virus among medical personnel. On the other hand, the July ISM Manufacturing PMI was at 54.2, up from the previous month at 52.6. This realization is better than the estimated increase of 53.6. Moreover, the market will look forward to several data releases today, such as: 1) US Balance of Trade; 2) China Caixin Composite PMI; 3) Eurozone Markit Composite PMI.

Domestic Updates

- The value of loans in Indonesia increased by 1.49% YoY.** However, this is the lowest monthly rate of growth in lending since June 2002, when the bank lending fell by 1.2%. In May 2020, the value of loans increased by 3.04% YoY and in April 2020, the value of loans increased by 5.73% YoY.
- The disbursement of the 13th civil servants salary is estimated to take place next week.** The ministry of finance allocates the 13th salary budget of IDR28.5 trillion. From the total of the budget, IDR14.6 trillion will be distributed for the police, the military, and the retirees. While for regional civil servants with the budget amounted to IDR13.89 trillion. We see that this was meant to stimulate people's purchasing power.

Company News

- PZZA IJ** recorded a drastic financial performance decline in 1H20. It booked revenue of IDR1.82 trillion, down 6.06% YoY. Sales in Jakarta still remained strong despite the large-scale social restriction, reaching 40.24% of the company's total sales. Despite the slight decline in revenue, PZZA recorded a drastic profit decline, down by 90% YoY to IDR10.47 billion. This is caused by an increase in COGS and other operating expenses. As a result, the company also recorded a rise in liabilities amounting to IDR1.1 trillion, a 44% increase (Market Bisnis). **MNCS Comment: The lower revenues, combined with weaker margins, resulted in a weaker performance. The government imposed the large scale social distancing policies starting in early April and Malls closure, so the 2Q20 was more adversely affected. PZZA is currently traded at 85.82x/1.43x PE/PBV.**
- RALS IJ** faced a problematic semester, recording a decline in revenue and profit by up to double digits. In 1H20, it pocketed IDR1.47 trillion, down by 57.88% YoY, due to a decrease in sales. As a result, net profit eroded by 60.89% YoY IDR613.73 billion from IDR1.57 tn last year, even though COGS has been reduced by 55.19% YoY to IDR860.08 billion and other expenses has been decreased as well (Kontan). **MNCS Comment: We see RALS's 1H20 results have been significantly affected by mall closures and slowdown in consumer demand due to the Covid-19 pandemic. Management expected that revenue potentially lower by 20%-50% while earnings fall by 75% during the pandemic. RALS is currently traded at 0.91x PBV.**
- SMRA IJ** booked a revenue of IDR2.18 trillion, dropped by 18.35% YoY in 1H20. The largest revenue contributor remains the property development segment which decreased by 5.66% YoY to 1.5 trillion. Meanwhile, SMRA net profits slipped by 93% YoY to IDR10 billion. The Large Scale Social Distancing in Jabodetabek and Bali negatively impacted all of SMRA's investment property business, especially malls, hotels, and recreation property, all of which recorded negative gross profits. (Kontan). **MNCS Comment: This performance is an impact faced by SMRA in 2Q20 where the presence of PSBB hampers the performance of tenant mall rentals and decreases hotel occupancy. SMRA is currently traded at 1.11x PBV.**

IHSG Updates

**JCI rose by +1.37% to 5,075.00 on Tuesday (04/08)** followed by net foreign sell reaching IDR45.12 billion. Stock price rise was a respond towards the market price drop on Monday. Today the market will be expecting the 2Q GDP which became investor concerns although the 1Q20 GDP was still positive at 2.97%, which means the country has still has a long way to recession. 2Q GDP is forecasted to reached -4.9% YoY while the consensus estimates is at the level of -4.61% YoY. Moreover, the Rupiah exchange rate was strengthening at IDR14,625. We estimate JCI will move in the range of 5,030-5,100 while waiting for GDP growth 2Q20. **Today's recommendation: BRPT, INCO, KLB, WIKA.**

Stock	Close Price	Recommendation	Tactical Moves
BRPT	890	Buy on Weakness	The BRPT is still vulnerable to correction to form a blue scenario to the 61.8% fibo retracement area to form wave C of wave (B).
INCO	3,420	Buy on Weakness	As long as INCO is not corrected below 3.190, the current INCO position is at the beginning of wave (iii) of wave [c] of wave 3.
KLBF	1,575	Buy on Weakness	As long as the KLBF is not corrected below 1.470, the strengthening of the KLBF yesterday, is the beginning of wave [v] of wave C.
WIKA	1,090	Sell on Strength	The correction that occurred at WIKA yesterday, we estimate is the final part of wave [iii] of wave C of 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
<b>Automotive</b>											
ASII IJ	Astra International Tbk PT	200,798	3.55	BUY	5,500	(24.25)	25.37	12.22	9.74	1.00	0.94
<b>Banking</b>											
BBCA IJ	Bank Central Asia Tbk PT	765,538	13.39	HOLD	28,400	7.00	9.09	25.04	22.95	3.94	3.50
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	85,038	1.49	HOLD	4,300	(2.68)	5.97	5.68	5.36	0.73	0.67
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	379,905	6.65	HOLD	3,200	(7.81)	1.06	11.88	11.75	1.79	1.65
BMRI IJ	Bank Mandiri Persero Tbk PT	260,167	4.55	HOLD	5,100	(4.62)	9.13	9.93	9.10	1.18	1.08
BNGA IJ	Bank CIMB Niaga Tbk PT	18,849	0.33	BUY	850	2.43	9.99	5.01	4.55	0.44	0.43
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	13,555	0.24	SELL	1,000	(24.98)	497.17	85.31	14.29	0.80	0.76
BRIS IJ	Bank Brisyariah Tbk PT	5,198	0.09	SELL	230	(32.21)	9.83	103.57	94.30	1.01	1.00
<b>Telco</b>											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	292,234	5.16	BUY	3,600	(8.00)	8.33	15.36	14.18	2.73	2.58
EXCL IJ	XL Axiata Tbk PT	26,123	0.46	BUY	2,700	21.73	5.39	29.92	28.39	1.30	1.25
TOWR IJ	Sarana Menara Nusantara Tbk PT	59,177	1.05	SELL	950	13.11	8.81	22.93	21.08	5.59	4.94
<b>Toll Road &amp; Utilities</b>											
JSMR IJ	Jasa Marga Persero Tbk PT	29,394	0.52	SELL	3,450	6.41	13.25	13.57	11.98	1.19	1.07
PGAS IJ	Perusahaan Gas Negara Tbk PT	29,211	0.52	HOLD	1,200	83.33	27.27	13.44	10.56	0.47	0.45
<b>Consumer</b>											
UNVR IJ	Unilever Indonesia Tbk PT	313,784	5.55	HOLD	8,400	1.60	6.48	41.77	39.23	36.54	34.33
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	116,911	2.07	HOLD	10,300	6.31	9.52	21.78	19.89	4.28	3.86
INDF IJ	Indofood Sukses Makmur Tbk PT	59,268	1.05	BUY	8,500	3.50	11.05	11.67	10.51	1.46	1.34
HOKI IJ	Buyung Poetra Sembada PT	1,503	0.03	BUY	700	(26.89)	37.61	19.58	14.23	2.03	1.72
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	19,500	0.34	HOLD	1,400	9.01	13.34	21.96	19.38	5.92	5.56
TBLA IJ	Tunas Baru Lampung Tbk PT	3,980	0.07	SELL	630	(43.57)	5.01	9.81	9.35	0.74	0.71
<b>Pharmacy</b>											
KLBF IJ	Kalbe Farma Tbk PT	73,828	1.30	SELL	1,280	4.28	7.25	28.24	26.33	4.18	3.85
<b>Retail</b>											
ACES IJ	Ace Hardware Indonesia Tbk PT	28,812	0.51	SELL	1,400	(6.76)	6.90	29.72	27.80	5.28	4.83
ERAA IJ	Erajaya Swasembada Tbk PT	4,753	0.08	SELL	1,280	13.54	66.00	14.26	8.59	0.85	0.77
MAPI IJ	Mitra Adiperkasa Tbk PT	11,039	0.20	SELL	580	4.92	5.28	11.60	11.01	1.47	1.28
RALS IJ	Ramayana Lestari Sentosa Tbk PT	3,796	0.07	HOLD	500	(32.91)	25.56	8.24	6.56	0.85	0.80
PZZA IJ	Sarimelati Kencana PT	1,798	0.03	BUY	840	4.23	20.53	8.65	7.18	1.14	0.98
<b>Construction</b>											
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	5,518	0.10	BUY	1,040	40.73	28.86	4.22	3.27	0.30	0.28
WIKA IJ	Wijaya Karya Persero Tbk PT	9,777	0.17	BUY	1,225	17.35	20.10	3.65	3.04	0.52	0.45
WSBP IJ	Waskita Beton Precast Tbk PT	4,560	0.08	BUY	262	(29.90)	18.70	7.51	6.32	0.51	0.50
WSKT IJ	Waskita Karya Persero Tbk PT	8,144	0.14	BUY	880	8.47	137.68	8.00	3.37	0.28	0.28
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,713	0.03	BUY	300	4.17	20.85	3.64	3.01	0.61	0.53



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
<b>Property</b>												
BSDE IJ	Bumi Serpong Damai Tbk PT	14,079	0.25	BUY	1,110	(7.75)	12.60	4.90	4.35	0.35	0.33	
PWON IJ	Pakuwon Jati Tbk PT	19,168	0.34	BUY	520	(9.02)	(3.70)	8.01	8.32	1.10	0.98	
SMRA IJ	Summarecon Agung Tbk PT	7,935	0.14	BUY	610	(69.64)	44.19	50.74	35.19	0.83	0.81	
CTRA IJ	Ciputra Development Tbk PT	11,971	0.21	BUY	880	8.58	(11.20)	9.58	10.79	0.73	0.69	
DMAS IJ	Puradelta Lestari Tbk PT	10,604	0.19	HOLD	228	(30.89)	31.52	11.49	8.74	1.76	1.97	
<b>Agriculture</b>												
AALI IJ	Astra Agro Lestari Tbk PT	18,669	0.33	HOLD	9,125	240.96	15.24	25.94	22.51	0.97	0.93	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,721	0.12	HOLD	1,000	27.51	22.68	20.88	17.02	1.19	1.03	
<b>Coal Mining</b>												
ADRO IJ	Adaro Energy Tbk PT	33,105	0.59	BUY	1,310	(18.31)	0.59	6.15	6.11	0.49	0.47	
PTBA IJ	Bukit Asam Tbk PT	23,157	0.41	BUY	2,390	(16.98)	4.55	6.53	6.24	1.24	1.22	
ITMG IJ	Indo Tambangraya Megah Tbk PT	8,729	0.15	BUY	10,630	(58.33)	(20.00)	9.48	11.85	0.34	0.29	
<b>Metal Mining</b>												
ANTM IJ	Aneka Tambang Tbk	16,942	0.30	BUY	920	26.09	42.23	14.16	9.96	0.77	0.71	
INCO IJ	Vale Indonesia Tbk PT	33,982	0.60	HOLD	3,590	13.79	2.00	41.96	41.14	1.05	1.02	
MDKA IJ	Merdeka Copper Gold Tbk PT	39,635	0.70	SELL	1,595	(21.21)	25.00	27.76	22.21	3.70	2.92	
<b>Poultry</b>												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	102,488	1.81	SELL	4,150	9.82	15.94	26.75	23.07	4.25	3.78	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	11,961	0.21	BUY	1,150	(60.18)	121.37	16.96	7.66	1.00	0.89	
<b>Cigarette</b>												
GGRM IJ	Gudang Garam Tbk PT	94,617	1.67	BUY	55,450	(16.02)	8.63	10.35	9.53	1.77	1.62	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	190,762	3.37	HOLD	1,650	(22.03)	3.26	17.83	17.26	5.69	5.71	
<b>Cement</b>												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	43,991	0.78	BUY	13,900	19.34	12.44	20.08	17.86	1.87	1.83	
SMGR IJ	Semen Indonesia Persero Tbk PT	54,570	0.96	HOLD	9,000	30.77	(33.40)	17.46	26.21	1.62	1.57	
<b>Basic Industry and Chemical</b>												
ARNA IJ	Arwana Citramulia Tbk PT	3,083	0.05	HOLD	450	18.73	7.01	12.03	11.24	1.98	1.56	
<b>Heavy Equipment</b>												
UNTR IJ	United Tractors Tbk PT	76,281	1.35	HOLD	19,930	(18.84)	13.03	8.31	7.35	1.13	0.98	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	14.33	1.77
JAKCONS INDEX	18.53	3.98
JAKINFRA INDEX	34.98	1.98
JAKBIND INDEX	43.10	1.87
JAKTRAD INDEX	16.04	1.28
JAKPROP INDEX	19.20	0.27
JAKMINE INDEX	12.04	1.06
JAKMIND INDEX	10.67	1.15
JAKAGRI INDEX	-	0.92

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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