

KEY INDICATOR

18/08/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.74	6.77	(3.20)	(57.50)
USD/IDR	14,845.00	14,795.00	0.34%	4.26%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,295.17	0.90%	-15.94%	19.33
MSCI	6,114.21	1.17%	-16.11%	19.86
HSEI	25,367.38	0.08%	-10.01%	11.93
FTSE	6,076.62	-0.83%	-19.43%	19.84
DJIA	27,778.07	-0.24%	-2.66%	25.15
NASDAQ	11,210.84	0.73%	24.95%	39.19

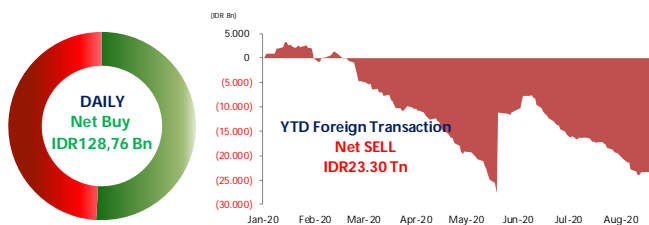
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	42.89	0.00%	-23.70%	-29.76%
COAL	USD/TON	50.45	0.00%	-23.96%	-25.48%
CPO	MYR/MT	2,711.00	1.19%	25.74%	-11.17%
GOLD	USD/TOZ	2,002.44	0.86%	33.86%	31.98%
TIN	USD/MT	17,600.00	1.61%	6.83%	2.47%
NICKEL	USD/MT	14,675.00	0.52%	-7.82%	4.63%

CORPORATE ACTION

TICKER	EVENT	NOTES
TRIN	RUPS	
BOGA	RUPS	
BIRD	RUPS	

NET FOREIGN TRADING VALUE



Global Market Highlight

DJIA fell 66.84 points or 0.24% on Tuesday (18/08) while the Nasdaq Composite gained +0.73% followed by S&P 500 (+0.23%). Stocks got an early boost after the Government said that housing starts jumped 22.6% in July (above consensus expectations). The S&P 500 closed at its highest level, capping a remarkable rebound fueled by unprecedented government stimulus and optimism among investors about the world's ability to manage the Covid-19 pandemic. The slight weakening on Dow Jones was still due to investor concerns over political rivals of the Democratic and Republican Parties. The USD10 billion stimulus program has yet to find a bright spot. This condition indicates that the global stock market has entered an upward trend. Meanwhile, market players are also waiting for the outcome of the Fed meeting regarding the interest rate policy which will be announced tomorrow. Market consensus predicts The Fed Rate will remain at the level of 0-0.25% given the US economy continues to show gradual recovery. Moreover, the market will look forward to several data releases today, such as: 1) US MBA Mortgage Application; 2) UK Core Inflation Rate; 3) Eurozone Core Inflation Rate.

Domestic Updates

- Indonesia posted a trade surplus of USD3.26 billion in July 2020, the largest since August 2011. This month's surplus is a USD0.28 billion increase from the same month last year and beats market consensus by USD0.68 billion. While exports dropped, imports dropped even more. Exports fell by -9.90% YoY to USD13.73 billion, due to lower sales of both non-oil (-5.87%) and oil and gas products (-46.69%). The biggest decrease came from mining products (-52.12%), including crude oil (-37.56%). Meanwhile, imports tumbled by -32.55% to USD10.47 billion as purchases of both oil and gas (-45.19%) and non-oil and gas (-30.95%) plunged.
- The Indonesian Balance of Payments (BOP) recorded a sizable surplus of USD9.2 billion in the 2Q20, showing Indonesia's external resilience, after experience a deficit of USD8.5 billion in 1Q20. The improvement in BOP is supported by a decrease in the current account deficit and a large surplus in the capital and financial account. The current account deficit decreased from USD3.7 billion or 1.4% of GDP in 1Q20 to USD2.9 billion or 1.2% of GDP. Meanwhile, capital and the financial account were recorded at a surplus of USD10.5 billion, mainly from net inflows of portfolio investment and direct investment. Thus, foreign exchange reserves at the end of June 2020 increased to USD131.7 billion, which is equivalent to 8.1 months of financing imports and government external debt.

Company News

- WIKA IJ recorded a decrease in 1H20 revenue by -37.23% YoY to IDR7.13 trillion. As a result, net profit decreased by a whopping -71.89% YoY to IDR250.41 billion from IDR890.88 billion in 1H19. However, WIKA has succeeded in reducing its long-term liabilities from IDR12.54 trillion from last semester, to IDR5.14 trillion. Nonetheless, total liabilities as a whole stood similar from IDR42.89 trillion in last semester to IDR43.87 trillion this semester. Furthermore, WIKA posted a decrease in CAPEX from IDR 4.92 trillion in 1H19 to IDR0.76 trillion in 1H20 (Market Bisnis). **MNCS Comment: WIKA's revenue achieved only 28.01% of the MNCS target in FY20E, while the net profit is still quite inline at the level of 57.12% of the MNCS target. This is due to the decrease in debt, also a decrease in the cost of funds, so that the net profit is still quite in line with the MNCS target. WIKA is currently traded at 29.20x/0.81x PE/PBV.**
- WEGE IJ posted 1H20 revenue of IDR1.71 trillion, a -20.46% YoY downfall from IDR2.15 trillion. Consequently, net profit declined by -46.8% to IDR96.61 billion. Although it succeeded in reducing the amount of liabilities from IDR3.73 trillion to IDR3.54 trillion, WEGE also recorded a new debt of short-term liabilities, increasing short-term bank loans from third parties by IDR300 billion and short-term payables by IDR120 billion. Meanwhile, CAPEX increased dramatically from IDR65.3 billion in 1H19 to IDR167.93 billion in 1H20 (Market Bisnis). **MNCS Comment: Debt increase in the short run is to maintain cash flow, this is because WEGE is still waiting for payments that are likely to be received in 3Q20E/4Q20E. WEGE is currently traded at 5.74x/0.85x PE/PBV.**
- WTON IJ recorded a decline of -29.22% YoY of revenue in 1H20 to IDR1.86 trillion. Thus, operating profit decreased by -75.55% YoY to IDR64.42 billion and net profit plunged by -78% YoY to IDR36.64%. The decline in revenue was caused by the decline in sales of rotary products from IDR1.48 trillion in 1H19 to IDR0.69 trillion in 1H20. However, the construction sector actually experienced growth from IDR291.37 billion in 1H19 to IDR321.36 billion in 1H20. Meanwhile, CAPEX also decreased from IDR160.58 billion to IDR108.08 billion this semester (Market Bisnis). **MNCS Comment: WTON's steps to hold their capex are quite wise whereas there is a disruption in cash flow at the time, so we consider it will be reasonable if there is a decrease on capex in 1H20. WTON is currently traded at 35x/0.75x PE/PBV.**

IHSG Updates

JCI rose by +0.90% to 5,295.17 on Tuesday (18/08) followed by net foreign buy reaching IDR128.70 billion. JCI stock rose on the first day of trade this week supported by positive catalyst from the surpluses recorded in Balance of Payment followed by Balance of Trade, while the deficit in the Current Account narrowed to USD2.9 billion after being estimated to widened to USD10.5 billion. This has uplift the market as foreign investors return. Furthermore, the market will be expecting the interest rate (BI 7DRR) decision which is estimated to remain at 4%, while this will be a breather for the banking sector. Meanwhile, the Rupiah exchange rate was weakening at IDR14,845. We estimate JCI will move in the range of 5,220-5,330. **Today's recommendation: MDKA, BBRI, SMRA, GGRM.**

Stock	Close Price	Recommendation	Tactical Moves
MDKA	1,870	Buy on Weakness	MDKA position is in the part of wave C of wave (5) in the blue scenario or wave (B) of wave [B] in the red scenario.
BBRI	3,520	Buy on Weakness	The movement of BBRI is in the part of wave [v] of wave C.
SMRA	585	Buy on Weakness	As long as SMRA is not corrected below 515, at the moment the position of SMRA is in the initial wave [c] of wave B in the blue scenario.
GGRM	54,525	Sell on Strength	GGRM is already at the end of wave (v) of wave [i] of wave C, where the strengthening of GGRM has tended to be limited and vulnerable to correction.

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	217,599	3.69	HOLD	5,500	(24.25)	25.37	13.24	10.56	1.09	1.02
Banking											
BBCA IJ	Bank Central Asia Tbk PT	784,029	13.15	SELL	28,400	7.00	9.09	25.64	23.51	4.04	3.58
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	94,176	1.58	SELL	4,300	(2.68)	5.97	6.29	5.94	0.81	0.75
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	434,177	7.28	HOLD	3,200	(7.81)	1.06	13.57	13.43	2.05	1.89
BMRI IJ	Bank Mandiri Persero Tbk PT	287,000	4.81	SELL	5,100	(4.62)	9.13	10.95	10.03	1.30	1.19
BNGA IJ	Bank CIMB Niaga Tbk PT	20,357	0.34	HOLD	850	2.43	9.99	5.41	4.92	0.48	0.47
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	15,938	0.27	SELL	1,000	(24.98)	497.17	100.31	16.80	0.94	0.89
BRIS IJ	Bank Brisyariah Tbk PT	5,878	0.10	SELL	230	(32.21)	9.83	117.12	106.64	1.15	1.14
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	302,140	5.12	BUY	3,600	(8.00)	8.33	15.89	14.66	2.82	2.67
EXCL IJ	XL Axiata Tbk PT	26,979	0.46	HOLD	2,700	21.73	5.39	30.90	29.32	1.35	1.29
TOWR IJ	Sarana Menara Nusantara Tbk PT	53,820	0.91	HOLD	950	13.11	8.81	20.86	19.17	5.08	4.49
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	29,394	0.50	SELL	3,450	6.41	13.25	13.57	11.98	1.19	1.07
PGAS IJ	Perusahaan Gas Negara Tbk PT	30,181	0.51	HOLD	1,200	83.33	27.27	13.89	10.91	0.48	0.47
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	313,784	5.32	HOLD	8,400	1.60	6.48	41.77	39.23	36.54	34.33
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	118,951	2.01	HOLD	10,300	6.31	9.52	22.16	20.24	4.36	3.93
INDF IJ	Indofood Sukses Makmur Tbk PT	63,658	1.08	BUY	8,500	3.50	11.05	12.53	11.28	1.57	1.44
HOKI IJ	Buyung Poetra Sembada PT	1,515	0.03	BUY	700	(26.89)	37.61	19.74	14.34	2.05	1.74
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	20,625	0.35	HOLD	1,400	9.01	13.34	23.23	20.49	6.26	5.88
TBLA IJ	Tunas Baru Lampung Tbk PT	4,407	0.07	SELL	630	(43.57)	5.01	10.87	10.35	0.82	0.78
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	75,938	1.29	SELL	1,280	4.28	7.25	29.05	27.08	4.30	3.96
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	27,783	0.47	SELL	1,400	(6.76)	6.90	28.66	26.80	5.09	4.65
ERAA IJ	Erajaya Swasembada Tbk PT	5,359	0.09	SELL	1,280	13.54	66.00	16.08	9.69	0.96	0.87
MAPI IJ	Mitra Adiperkasa Tbk PT	11,454	0.19	SELL	580	4.92	5.28	12.03	11.43	1.52	1.33
RALS IJ	Ramayana Lestari Sentosa Tbk PT	4,541	0.08	SELL	500	(32.91)	25.56	9.86	7.85	1.01	0.96
PZZA IJ	Sarimelati Kencana PT	1,889	0.03	BUY	840	4.23	20.53	9.09	7.54	1.20	1.03
Construction											
ADHI IJ	Adhi Karya Persero Tbk PT	2,190	0.04	BUY	755	(74.40)	99.60	12.23	6.13	0.32	0.31
PTPP IJ	PP Persero Tbk PT	6,324	0.11	HOLD	1,040	40.73	28.86	4.83	3.75	0.34	0.32
WIKA IJ	Wijaya Karya Persero Tbk PT	11,526	0.20	HOLD	1,225	17.35	20.10	4.30	3.58	0.61	0.53
WSBP IJ	Waskita Beton Precast Tbk PT	4,613	0.08	BUY	262	(29.90)	18.70	7.59	6.40	0.52	0.50
WSKT IJ	Waskita Karya Persero Tbk PT	8,959	0.15	BUY	880	8.47	137.68	8.80	3.70	0.31	0.30
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,867	0.03	BUY	300	4.17	20.85	3.97	3.28	0.67	0.57



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
Property												
BSDE IJ	Bumi Serpong Damai Tbk PT	15,349	0.26	BUY	1,110	(7.75)	12.60	5.35	4.75	0.38	0.36	
PWON IJ	Pakuwon Jati Tbk PT	19,553	0.33	BUY	520	(9.02)	(3.70)	8.17	8.48	1.12	1.00	
SMRA IJ	Summarecon Agung Tbk PT	8,440	0.14	HOLD	610	(69.64)	44.19	53.97	37.43	0.88	0.86	
CTRA IJ	Ciputra Development Tbk PT	13,271	0.22	BUY	880	8.58	(11.20)	10.62	11.96	0.81	0.76	
DMAS IJ	Puradelta Lestari Tbk PT	12,050	0.20	HOLD	228	(30.89)	31.52	13.06	9.93	2.00	2.23	
Agriculture												
AALI IJ	Astra Agro Lestari Tbk PT	19,680	0.33	SELL	9,125	240.96	15.24	27.34	23.72	1.02	0.98	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,721	0.11	HOLD	1,000	27.51	22.68	20.88	17.02	1.19	1.03	
Coal Mining												
ADRO IJ	Adaro Energy Tbk PT	35,664	0.60	BUY	1,310	(18.31)	0.59	6.62	6.59	0.53	0.51	
PTBA IJ	Bukit Asam Tbk PT	23,963	0.41	BUY	2,390	(16.98)	4.55	6.75	6.46	1.28	1.26	
ITMG IJ	Indo Tambangraya Megah Tbk PT	9,265	0.16	BUY	10,630	(58.33)	(20.00)	10.06	12.58	0.36	0.31	
Metal Mining												
ANTM IJ	Aneka Tambang Tbk	19,345	0.33	BUY	920	26.09	42.23	16.17	11.37	0.88	0.81	
INCO IJ	Vale Indonesia Tbk PT	37,162	0.63	HOLD	3,590	13.79	2.00	45.89	44.99	1.15	1.11	
MDKA IJ	Merdeka Copper Gold Tbk PT	40,948	0.69	SELL	1,595	(21.21)	25.00	28.68	22.94	3.82	3.02	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	104,537	1.77	SELL	4,150	9.82	15.94	27.28	23.53	4.34	3.86	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,134	0.22	HOLD	1,150	(60.18)	121.37	18.63	8.41	1.10	0.98	
Cigarette												
GGRM IJ	Gudang Garam Tbk PT	104,911	1.78	HOLD	55,450	(16.02)	8.63	11.48	10.57	1.96	1.80	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	203,557	3.45	HOLD	1,650	(22.03)	3.26	19.02	18.42	6.07	6.10	
Cement												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	44,083	0.75	BUY	13,900	19.34	12.44	20.13	17.90	1.87	1.84	
SMGR IJ	Semen Indonesia Persero Tbk PT	57,832	0.98	HOLD	9,000	30.77	(33.40)	18.50	27.78	1.71	1.66	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	3,245	0.05	HOLD	450	18.73	7.01	12.66	11.83	2.09	1.64	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	88,031	1.49	SELL	19,930	(18.84)	13.03	9.59	8.48	1.31	1.13	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	15.96	1.96
JAKCONS INDEX	19.31	4.12
JAKINFRA INDEX	31.52	2.19
JAKBIND INDEX	44.47	1.94
JAKTRAD INDEX	17.43	1.34
JAKPROP INDEX	1.00	0.02
JAKMINE INDEX	12.76	1.12
JAKMIND INDEX	11.51	1.24
JAKAGRI INDEX	-	0.93

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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