

KEY INDICATOR

26/08/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	6.79	6.70	8.50	(51.30)
USD/IDR	14,678.00	14,649.00	0.20%	2.97%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,340.33	0.03%	-15.23%	19.46
MSCI	6,178.19	-0.14%	-15.23%	19.91
HSEI	25,491.79	0.02%	-9.57%	12.05
FTSE	6,045.60	0.14%	-19.85%	19.78
DJIA	28,331.92	0.30%	-0.72%	25.41
NASDAQ	11,665.06	1.73%	30.01%	40.92

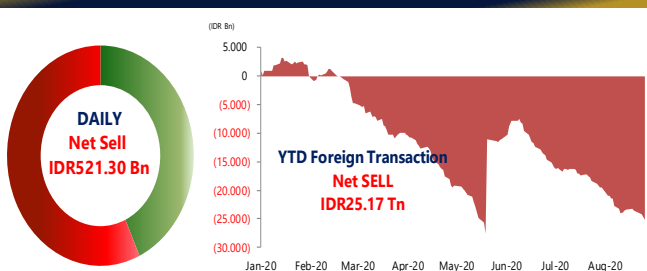
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	43.39	0.09%	-21.01%	-28.94%
COAL	USD/TON	49.70	-0.10%	-24.01%	-26.59%
CPO	MYR/MT	2,645.00	1.15%	18.13%	-13.34%
GOLD	USD/TOZ	1,954.46	1.36%	26.68%	28.81%
TIN	USD/MT	17,550.00	1.09%	11.43%	2.18%
NICKEL	USD/MT	15,159.00	1.22%	-3.45%	8.09%

CORPORATE ACTION

TICKER	EVENT	NOTES
TRJA	IPO	IDR250/share
TBLA	Cum Dividen Date	IDR25/share
RALS	Cum Dividen Date	IDR50/share

NET FOREIGN TRADING VALUE



Global Market Highlight

DJIA rose by 0.30% on Wednesday (26/08) followed by S&P 500 (+1.02%) and Nasdaq (+1.73%). S&P 500 extends the winning streak, notching a fourth-straight record close after bouncing back from its March lows. Stock rises buoyed by more data pointing to an economic recovery and a continued rally in tech shares. Data orders for durable goods in the US surged by 11.2% in Jul-2020, more than double the expected gain. Moreover, the market will look forward to several data releases today, such as: 1) US GDP Growth Rate 2Q20; 2) US Initial Jobless Claims; 3) US Pending Home Sales.

Domestic Updates

- Ministry of Finance stated that the economic recovery trend in July 2020 continued**, with the global manufacturing PMI in July 2020 shown an upward trend towards expansion, at 50.3. Thus, these various indicators make the government confident that the economy will improve marked by the Consumer Confidence Index (IKK) which shows optimism.
- Ministry of Finance also stated that the realization of the health budget in the National Economic Recovery (PEN) program as of August 19, 2020 was only 8.4% of the total budget** or equals to IDR7.36 trillion. It is still far from the planned budget of IDR87.55 trillion. The progress of the health budget is in a slowing trend. Therefore, the minister arranged some strategies to accelerate the absorption of the health budget such as: 1) a shifting program to utilize funds that had no proposed use; 2) accelerate verification of incentives for health workers and compensation for death; 3) accelerate the process of procuring medical devices to encourage recovery rates and reduce mortality rates.

Company News

- SMGR IJ** recorded a cement sales volume of 17.96 million tons in 1H20, increased by 3% YoY from 17.43 million tons in 1H19. SMGR's subsidiary, SMCB managed to sell 5.29 million tons (+2% YoY) of cement in 1H20. Thus, SMGR has managed to maintain its position as the market leader in the country's cement industry, with 53.1% share of the domestic cement market. The management estimate there will be a 13% - 15% decrease on cement demand in FY20E (Kontan). **MNCS Comment: The increase in 1H20 sales volume is a good thing amid the decline in domestic cement consumption by 27.15 million tons (-7.72% YoY vs 29.42 million tons 1H2019). This is also in line with 1H20 profit growth of 26.19% to IDR612 billion (vs IDR485 billion in 1H2019) which occurred due to the company's efficiency. SMGR is currently traded at 24.60x/1.89x PE/PBV.**
- INCO IJ** recorded production and shipment of nickel matte of 18,701/19,887 tons in 2Q20 which grew by 6%/19% respectively, the shipment is equivalent to USD185.7 million of sales in 2Q20. INCO revised its production target for nickel in matte throughout FY20E from around 71,000 to 73,700 ton, 4% higher than production in FY19 (Emiten News). **MNCS Comment: We see that the sales increased by 19% YoY although the nickel price has fell by -4.37% YoY but it is still supported by a higher shipping volume. Nickel is still in demand for the components of electric vehicle that is being developed worldwide. INCO is currently traded at 24.72x/1.32x PE/PBV.**
- BNBA IJ** plans to distribute Interim Dividend of IDR 5.75 per share. The total amounted to IDR13.28 billion of the company's net profit with a dividend payout ratio reaching 25.95% and yield reaching 1.78%. Cum date will fall on August 31, 2020 (Emiten News). **MNCS Comment: As it is an interim dividend, the amount is only around half of the dividend in FY19 which is IDR11/share. Although net profit dropped by 45.16% YoY in FY19 but BNBA managed to still distribute dividends. BNBA is currently traded at 15.05x/0.49x PE/PBV.**

IHSG Updates

JCI rose slightly by +0.03% to 5,340.32 on Wednesday (26/08) though followed by net foreign sell reaching IDR521.22 billion. Index movement was flat amidst the various movements from Regional Asia indices. This was due to minimum sentiment from the domestic market, though Agriculture sector became the largest contributor yesterday. Moreover, Jakarta's governor is compiling a set of regulation regarding the reopening of cinemas in the near future. Meanwhile, the Rupiah exchange rate was weakening at IDR14,678. We estimate JCI will move in the range of 5,220-5,350 while waiting for Loan Growth data release. **Today's recommendation: SMGR, PWON, ICBP, ADRO.**

Stock	Close Price	Recommendation	Tactical Moves
SMGR	10,450	Buy on Weakness	The movement of SMGR is currently forming wave 3 of wave (C).
PWON	422	Buy on Weakness	As long as it is not corrected below 390, we estimate that PWON is still in the part of wave [c] of wave B.
ICBP	10,350	Buy on Weakness	Yesterday's correction, part of wave [v] of wave C.
ADRO	1,110	Sell on Strength	As long as ADRO has not been able to close higher above 1.170, it will only form wave [b] of wave E of wave (B) in the triangle pattern.

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	216,587	3.64	HOLD	5,500	(24.25)	25.37	13.18	10.51	1.08	1.01
Banking											
BBCA IJ	Bank Central Asia Tbk PT	781,564	13.00	SELL	28,400	7.00	9.09	25.56	23.43	4.03	3.57
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	99,304	1.65	HOLD	5,700	(28.97)	24.57	9.09	7.29	0.89	0.82
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	461,313	7.67	SELL	3,200	(7.81)	1.06	14.42	14.27	2.18	2.01
BMRI IJ	Bank Mandiri Persero Tbk PT	296,333	4.93	SELL	5,100	(4.62)	9.13	11.30	10.36	1.34	1.23
BNGA IJ	Bank CIMB Niaga Tbk PT	21,236	0.35	HOLD	850	2.43	9.99	5.64	5.13	0.50	0.49
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	16,573	0.28	SELL	1,000	(24.98)	497.17	104.31	17.47	0.98	0.93
BRIS IJ	Bank Brisyariah Tbk PT	8,404	0.14	SELL	230	(32.21)	9.83	167.46	152.47	1.64	1.62
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	299,168	5.02	BUY	3,600	(8.00)	8.33	15.73	14.52	2.79	2.64
EXCL IJ	XL Axiata Tbk PT	27,193	0.46	HOLD	2,700	21.73	5.39	31.14	29.55	1.36	1.30
TOWR IJ	Sarana Menara Nusantara Tbk PT	52,290	0.88	HOLD	950	13.11	8.81	20.26	18.62	4.94	4.36
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	28,596	0.48	SELL	3,450	6.41	13.25	13.20	11.66	1.15	1.04
PGAS IJ	Perusahaan Gas Negara Tbk PT	31,878	0.54	HOLD	1,200	83.33	27.27	14.67	11.52	0.51	0.49
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	312,830	5.25	HOLD	8,400	1.60	6.48	41.64	39.11	36.43	34.23
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	120,701	2.03	HOLD	10,300	6.31	9.52	22.49	20.53	4.42	3.99
INDF IJ	Indofood Sukses Makmur Tbk PT	67,390	1.13	BUY	8,500	3.50	11.05	13.27	11.95	1.67	1.52
HOKI IJ	Buyung Poetra Sembada PT	1,635	0.03	HOLD	700	(26.89)	37.61	21.29	15.47	2.21	1.87
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	20,850	0.35	HOLD	1,400	9.01	13.34	23.48	20.72	6.33	5.94
TBLA IJ	Tunas Baru Lampung Tbk PT	4,274	0.07	SELL	630	(43.57)	5.01	10.54	10.04	0.80	0.76
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	74,531	1.25	SELL	1,280	4.28	7.25	28.51	26.58	4.22	3.88
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	28,212	0.47	SELL	1,400	(6.76)	6.90	29.10	27.22	5.17	4.73
ERAA IJ	Erajaya Swasembada Tbk PT	5,567	0.09	SELL	1,280	13.54	66.00	16.71	10.06	1.00	0.90
MAPI IJ	Mitra Adiperkasa Tbk PT	11,537	0.19	SELL	580	4.92	5.28	12.12	11.51	1.53	1.34
RALS IJ	Ramayana Lestari Sentosa Tbk PT	4,896	0.08	SELL	500	(32.91)	25.56	10.63	8.46	1.09	1.03
PZZA IJ	Sarimelati Kencana PT	1,934	0.03	BUY	840	4.23	20.53	9.30	7.72	1.22	1.06
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	0.19	HOLD	1,225	17.35	20.10	4.30	3.58	0.61	0.53
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	9,298	0.16	BUY	880	8.47	137.68	9.14	3.84	0.32	0.32
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,886	0.03	BUY	300	4.17	20.85	4.01	3.32	0.67	0.58



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F
Property											
BSDE IJ	Bumi Serpong Damai Tbk PT	16,514	0.28	BUY	1,110	(7.75)	12.60	5.75	5.11	0.41	0.38
PWON IJ	Pakuwon Jati Tbk PT	20,323	0.34	BUY	520	(9.02)	(3.70)	8.49	8.82	1.17	1.04
SMRA IJ	Summarecon Agung Tbk PT	9,017	0.15	HOLD	610	(69.64)	44.19	57.66	39.99	0.94	0.92
CTRA IJ	Ciputra Development Tbk PT	14,106	0.24	BUY	880	8.58	(11.20)	11.29	12.71	0.86	0.81
DMAS IJ	Puradelta Lestari Tbk PT	11,857	0.20	HOLD	228	(30.89)	31.52	12.85	9.77	1.97	2.20
Agriculture											
AALI IJ	Astra Agro Lestari Tbk PT	19,391	0.33	HOLD	9,125	240.96	15.24	26.94	23.38	1.01	0.97
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,652	0.11	HOLD	1,000	27.51	22.68	20.67	16.85	1.18	1.02
Coal Mining											
ADRO IJ	Adaro Energy Tbk PT	35,504	0.60	BUY	1,310	(18.31)	0.59	6.60	6.56	0.53	0.51
PTBA IJ	Bukit Asam Tbk PT	24,539	0.41	BUY	2,390	(16.98)	4.55	6.92	6.61	1.31	1.29
ITMG IJ	Indo Tambangraya Megah Tbk PT	9,491	0.16	BUY	10,630	(58.33)	(20.00)	10.31	12.88	0.37	0.32
Metal Mining											
ANTM IJ	Aneka Tambang Tbk	18,864	0.32	BUY	920	26.09	42.23	15.77	11.08	0.86	0.79
INCO IJ	Vale Indonesia Tbk PT	37,559	0.63	HOLD	3,590	13.79	2.00	46.38	45.47	1.16	1.13
MDKA IJ	Merdeka Copper Gold Tbk PT	39,197	0.66	SELL	1,595	(21.21)	25.00	27.45	21.96	3.66	2.89
Poultry											
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	100,028	1.68	SELL	4,150	9.82	15.94	26.11	22.52	4.15	3.69
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,544	0.23	HOLD	1,150	(60.18)	121.37	19.21	8.68	1.14	1.01
Cigarette											
GGRM IJ	Gudang Garam Tbk PT	101,351	1.70	HOLD	55,450	(16.02)	8.63	11.09	10.21	1.89	1.74
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	197,741	3.32	HOLD	1,650	(22.03)	3.26	18.48	17.89	5.89	5.92
Cement											
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	45,187	0.76	BUY	13,900	19.34	12.44	20.63	18.35	1.92	1.88
SMGR IJ	Semen Indonesia Persero Tbk PT	61,984	1.04	SELL	9,000	30.77	(33.40)	19.83	29.77	1.84	1.78
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	86,726	1.46	SELL	19,930	(18.84)	13.03	9.44	8.36	1.29	1.12

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	18.09	1.98
JAKCONS INDEX	19.36	4.13
JAKINFRA INDEX	31.44	2.19
JAKBIND INDEX	44.02	1.92
JAKTRAD INDEX	17.51	1.34
JAKPROP INDEX	1.02	0.02
JAKMINE INDEX	12.83	1.13
JAKMIND INDEX	11.46	1.23
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



Thendra Crisnanda – Head of Institution Research
thendra.crisnanda@mncgroup.com
Investment Strategy
Ext. 52162



Victoria Venny – Research Analyst
victoria.nawang@mncgroup.com
Telco, Toll Road, Logistic, Consumer, Poultry
Ext. 52236



T. Herditya Wicaksana – Technical Analyst
herditya.wicaksana@mncgroup.com
Technical Specialist – Elliott Wave
Ext. 52150



Muhamad Rudy Setiawan – Research Analyst
muhamad.setiawan@mncgroup.com
Construction, Property, Oil and Gas
Ext. 52317



Catherina Vincentia – Research Associate
catherina.vincentia@mncgroup.com
Generalist
Ext. 52306

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