

KEY INDICATOR

09/07/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.25	4.50	(25.00)	(175.00)
10 Yr (bps)	7.10	7.12	(2.10)	(16.50)
USD/IDR	14,395.00	14,410.00	-0.10%	1.88%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,052.79	-0.46%	-19.79%	17.28
MSCI	5,740.86	-1.04%	-21.23%	17.82
HSEI	26,210.16	0.31%	-7.02%	12.17
FTSE	6,049.62	-1.73%	-19.79%	18.18
DJIA	25,706.09	-1.39%	-9.92%	23.39
NASDAQ	10,547.75	0.53%	17.56%	38.88

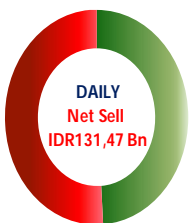
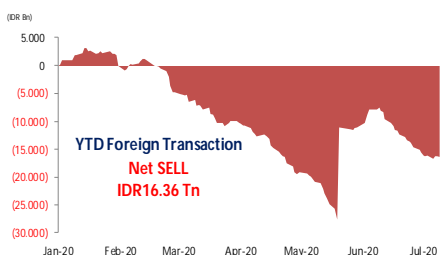
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	39.62	-3.13%	-31.49%	-35.11%
COAL	USD/TON	52.40	-0.29%	-30.04%	-22.60%
CPO	MYR/MT	2,403.00	-0.17%	23.74%	-21.26%
GOLD	USD/TOZ	1,803.55	-0.30%	29.05%	18.87%
TIN	USD/MT	17,340.00	1.55%	-4.86%	0.96%
NICKEL	USD/MT	13,249.00	-1.81%	4.32%	-5.53%

CORPORATE ACTION

TICKER	EVENT	NOTES
PTBA	Cash Dividend	IDR339.63/share
ASII	Cash Dividend	IDR157/share
JSMR	Cash Dividend	IDR15.20/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA slipped by -1.39% on Thursday (09/07) followed by various movements from S&P 500 (-0.56%) and Nasdaq (+0.53%). These various movements occurred amid renewed concerns about Covid-19 and its impact on the economy. Across the territory of the US state the surge in cases continues, raising concerns about the restriction of activity and dimming the prospects for rapid economic recovery. The weakening of Goldman Sachs, American Express, JP Morgan Chase and Nike stock prices contributed to the drop in Dow Jones while the rise in Nvidia, Tesla, eBay and Cisco stock prices sustain the increase in Nasdaq. Furthermore, the market will look forward to several data releases today, such as: 1) US Purchasing Price Index; 2) Japan Purchasing Price Index; 3) Italy Industrial Production.

Domestic Updates

Bank Indonesia (BI) is ready to take quick action to take action for the recovery of the Indonesian economy such as continuing monetary easing in the form of cutting the benchmark interest rate. BI has done it three times, and we see that if there is room for a reduction in interest rates, we will reduce it again. In addition, BI will also carry out its duties to maintain the stability of the rupiah exchange rate, decrease the yield of Government Securities (SBN), and also increase liquidity through quantitative easing (QE). BI is also ready to assist the government in the distribution of social assistance (social assistance) through the electrification program and is optimistic that the social assistance electrification will launch the distribution of fiscal stimulus to the public.

Company News

1. MDLN IJ cannot pay the principal amount of their bonds at IDR150 billion with a fixed interest rate of 12.5% per year. Their stocks are now suspended in all markets, and MDLN will receive special monitoring from Indonesian Rating Agency (Pefindo), who has downgraded their bonds from "idBBB-" to "idCCC". Pefindo warned that it will fall further to D if they fail to meet their financial obligations. As a result, MDLN IJ saw their shares falling by 11.29% to IDR55 per share in the last five trading days (IDN Financials). **MNCS Comment: We note that the assigned reflects its strained cash balance, weakened ability to pay debts (1.41x DER level), and possibility of restructuring. MDLN is currently traded at 0.10x PBV.**
2. TKIM IJ through their subsidiary PT Oki Pulp & Paper Mills, issued medium term notes amounting at IDR300 Billion with a fixed interest rate of 11% per year, which will be paid every three months. This MTN has a tenure of 36 months, which will mature on July 9, 2023 (Market Bisnis). **MNCS Comment: We believe TKIM still has room to explore funding through MTN as DER level is still below 1x. TKIM is currently traded at 2.17x/0.88x PE/PBV.**
3. TCPI IJ decided to distribute IDR25 billion in cash for dividends for the FY19 performance. The company's director revealed that in FY19, the company's net profit is IDR270 billion, in which IDR25 Billion will be used to share dividends. Thus, each share will be IDR5, yielding at 0.1%. For the remaining net profit, IDR2 billion will be used for general reserve and the rest of IDR245.5 billion will be used for retained earnings (Market Bisnis). **MNCS Comment: TCPI still managed to distribute dividend even in the midst of economic slowdown. TCPI is currently traded at 14.60x PBV.**

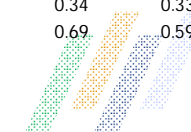
IHSG Updates

JCI dropped by -0.46% to 5,052.79 on Thursday (09/07), followed by net foreign sell reaching IDR131.47 billion. The weakening occurred amidst the various movements of global indices and the strengthening in the regional Asia indices. Moreover, the domestic market concern increased regarding the impact of the surge in cases of the corona virus on the economy that could lead to a recession have prompted investors to avoid risky assets such as stocks for a while. As of yesterday, Covid-19 cases in Indonesia surged by 2,657 cases creating a new high record, making the total case reach 70,736. Meanwhile, the Rupiah exchange rate against the USD was strengthening at IDR14,395. We estimate JCI will move in the range of 4,977-5,140 while waiting for the Balance of Trade data release. **Today's recommendation: WSKT, GGRM, ADRO, SMGR.**

Stock	Close Price	Recommendation	Tactical Moves
WSKT	725	Buy on Weakness	As long as WSKT is not corrected below 690, the current WSKT position is in wave (c) of wave [v] of wave C.
GGRM	420	Buy on Weakness	As long as GGRM is not corrected below the support level, GGRM is currently at the end of wave (ii) of wave [iii].
ADRO	1,095	Buy on Weakness	Currently, ADRO is at the beginning of wave [iii] of wave C.
SMGR	9,500	Sell on Strength	We estimate the correction that occurred is the beginning 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	198,369	3.52	BUY	5,500	(24.25)	25.37	12.07	9.63	0.99	0.93
<b>Banking</b>											
BBCA IJ	Bank Central Asia Tbk PT	751,978	13.22	HOLD	28,400	7.00	9.09	24.59	22.54	3.87	3.43
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	88,208	1.55	HOLD	4,300	(2.68)	5.97	5.89	5.56	0.76	0.70
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	387,306	6.81	HOLD	3,200	(7.81)	1.06	12.11	11.98	1.83	1.69
BMRI IJ	Bank Mandiri Persero Tbk PT	245,000	4.31	HOLD	5,100	(4.62)	9.13	9.35	8.56	1.11	1.02
BNGA IJ	Bank CIMB Niaga Tbk PT	18,974	0.33	BUY	850	2.43	9.99	5.04	4.58	0.45	0.44
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	13,926	0.24	SELL	1,000	(24.98)	497.17	87.65	14.68	0.82	0.78
BRIS IJ	Bank Brisyariah Tbk PT	4,256	0.07	SELL	230	(32.21)	9.83	84.79	77.20	0.83	0.82
<b>Telco</b>											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	308,083	5.47	BUY	3,600	4.61	13.65	14.25	12.53	2.68	2.47
EXCL IJ	XL Axiata Tbk PT	31,262	0.55	HOLD	2,700	21.73	5.39	35.80	33.97	1.56	1.49
TOWR IJ	Sarana Menara Nusantara Tbk PT	54,586	0.97	SELL	950	13.11	8.81	21.15	19.44	5.16	4.55
<b>Toll Road &amp; Utilities</b>											
JSMR IJ	Jasa Marga Persero Tbk PT	32,152	0.57	SELL	3,450	6.41	13.25	14.84	13.11	1.30	1.17
PGAS IJ	Perusahaan Gas Negara Tbk PT	28,120	0.50	HOLD	1,200	83.33	27.27	12.94	10.17	0.45	0.43
<b>Consumer</b>											
UNVR IJ	Unilever Indonesia Tbk PT	304,246	5.40	HOLD	8,400	1.60	6.48	40.50	38.04	35.43	33.29
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	109,039	1.94	BUY	10,300	6.31	9.52	20.32	18.55	3.99	3.60
INDF IJ	Indofood Sukses Makmur Tbk PT	57,512	1.02	BUY	8,500	3.50	11.05	11.32	10.20	1.42	1.30
HOKI IJ	Buyung Poetra Sembada PT	1,551	0.03	HOLD	700	(26.89)	37.61	20.21	14.68	2.10	1.78
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	18,450	0.33	BUY	1,400	9.01	13.34	20.78	18.33	5.60	5.26
TBLA IJ	Tunas Baru Lampung Tbk PT	3,125	0.06	HOLD	630	(43.57)	5.01	7.71	7.34	0.58	0.55
<b>Pharmacy</b>											
KLBF IJ	Kalbe Farma Tbk PT	71,719	1.27	SELL	1,280	4.28	7.25	27.43	25.58	4.06	3.74
<b>Retail</b>											
ACES IJ	Ace Hardware Indonesia Tbk PT	26,754	0.47	SELL	1,400	(6.76)	6.90	27.59	25.81	4.90	4.48
ERAA IJ	Erajaya Swasembada Tbk PT	4,147	0.07	HOLD	1,280	13.54	66.00	12.45	7.50	0.74	0.67
MAPI IJ	Mitra Adiperkasa Tbk PT	11,952	0.21	SELL	580	4.92	5.28	12.55	11.92	1.59	1.39
RALS IJ	Ramayana Lestari Sentosa Tbk PT	4,045	0.07	SELL	500	(32.91)	25.56	8.78	6.99	0.90	0.85
PZZA IJ	Sarimelati Kencana PT	2,070	0.04	BUY	840	4.23	20.53	9.96	8.26	1.31	1.13
<b>Construction</b>											
ADHI IJ	Adhi Karya Persero Tbk PT	2,279	0.04	BUY	755	(74.40)	99.60	12.73	6.38	0.33	0.32
PTPP IJ	PP Persero Tbk PT	6,169	0.11	HOLD	1,040	40.73	28.86	4.71	3.66	0.33	0.31
WIKA IJ	Wijaya Karya Persero Tbk PT	11,392	0.20	HOLD	1,225	17.35	20.10	4.25	3.54	0.60	0.52
WSBP IJ	Waskita Beton Precast Tbk PT	5,325	0.09	BUY	262	(29.90)	18.70	8.76	7.38	0.60	0.58
WSKT IJ	Waskita Karya Persero Tbk PT	9,841	0.17	BUY	880	8.47	137.68	9.67	4.07	0.34	0.33
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,934	0.03	BUY	300	4.17	20.85	4.11	3.40	0.69	0.59



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
<b>Property</b>												
BSDE IJ	Bumi Serpong Damai Tbk PT	16,196	0.29	BUY	1,110	(7.75)	12.60	5.64	5.01	0.40	0.38	
PWON IJ	Pakuwon Jati Tbk PT	20,034	0.36	BUY	520	(9.02)	(3.70)	8.37	8.69	1.15	1.03	
SMRA IJ	Summarecon Agung Tbk PT	8,872	0.16	HOLD	610	(69.64)	44.19	56.73	39.35	0.92	0.90	
CTRA IJ	Ciputra Development Tbk PT	12,528	0.22	BUY	880	8.58	(11.20)	10.03	11.29	0.76	0.72	
DMAS IJ	Puradelta Lestari Tbk PT	8,724	0.15	BUY	228	(30.89)	31.52	9.45	7.19	1.45	1.62	
<b>Agriculture</b>												
AALI IJ	Astra Agro Lestari Tbk PT	16,697	0.30	HOLD	9,125	240.96	15.24	23.20	20.13	0.87	0.83	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	5,936	0.11	BUY	1,000	27.51	22.68	18.44	15.03	1.05	0.91	
<b>Coal Mining</b>												
ADRO IJ	Adaro Energy Tbk PT	35,025	0.62	BUY	1,310	(18.31)	0.59	6.51	6.47	0.52	0.50	
PTBA IJ	Bukit Asam Tbk PT	24,193	0.43	BUY	2,390	(16.98)	4.55	6.82	6.52	1.29	1.27	
ITMG IJ	Indo Tambangraya Megah Tbk PT	8,700	0.15	BUY	10,630	(58.33)	(20.00)	9.45	11.81	0.34	0.29	
<b>Metal Mining</b>												
ANTM IJ	Aneka Tambang Tbk	15,620	0.28	BUY	920	26.09	42.23	13.05	9.18	0.71	0.66	
INCO IJ	Vale Indonesia Tbk PT	30,803	0.55	BUY	3,590	13.79	2.00	38.04	37.29	0.95	0.92	
MDKA IJ	Merdeka Copper Gold Tbk PT	33,613	0.60	HOLD	1,595	(21.21)	25.00	23.54	18.83	3.14	2.48	
<b>Poultry</b>												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	99,208	1.76	SELL	4,150	9.82	15.94	25.89	22.33	4.12	3.66	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,837	0.25	SELL	1,060	2.99	15.17	7.59	6.59	1.13	1.02	
<b>Cigarette</b>												
GGRM IJ	Gudang Garam Tbk PT	90,865	1.61	BUY	55,450	(16.02)	8.63	9.94	9.15	1.70	1.56	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	193,670	3.44	BUY	2,500	(6.78)	3.44	15.14	14.63	5.42	5.43	
<b>Cement</b>												
INTP IJ	Indocement Tunggal Prakarsa Tbk PT	43,162	0.77	BUY	13,900	19.34	12.44	19.71	17.53	1.84	1.80	
SMGR IJ	Semen Indonesia Persero Tbk PT	56,349	1.00	HOLD	9,000	30.77	(33.40)	18.03	27.07	1.67	1.62	
<b>Basic Industry and Chemical</b>												
ARNA IJ	Arwana Citramulia Tbk PT	2,716	0.05	BUY	450	18.73	7.01	10.60	9.90	1.75	1.37	
<b>Heavy Equipment</b>												
UNTR IJ	United Tractors Tbk PT	68,821	1.22	HOLD	19,930	(18.84)	13.03	7.50	6.63	1.02	0.88	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	13.66	1.75
JAKCONS INDEX	17.03	3.73
JAKINFRA INDEX	25.20	2.02
JAKBIND INDEX	34.56	1.83
JAKTRAD INDEX	14.18	1.25
JAKPROP INDEX	21.16	0.30
JAKMINE INDEX	10.90	1.01
JAKMIND INDEX	10.44	1.13
JAKAGRI INDEX	-	0.85

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](mailto:thendra.crisnanda@mncgroup.com)  
 Investment Strategy  
 Ext. 52162



**Victoria Venny – Research Analyst**  
[victoria.nawang@mncgroup.com](mailto:victoria.nawang@mncgroup.com)  
 Telco, Toll Road, Logistic, Consumer, Poultry  
 Ext. 52236



**T. Herditya Wicaksana – Technical Analyst**  
[herditya.wicaksana@mncgroup.com](mailto:herditya.wicaksana@mncgroup.com)  
 Technical Specialist – Elliott Wave  
 Ext. 52150



**Muhamad Rudy Setiawan – Research Analyst**  
[muhamad.setiawan@mncgroup.com](mailto:muhamad.setiawan@mncgroup.com)  
 Construction, Property, Oil and Gas  
 Ext. 52317



**Catherina Vincentia – Research Associate**  
[catherina.vincentia@mncgroup.com](mailto:catherina.vincentia@mncgroup.com)  
 Generalist  
 Ext. 52306

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