

KEY INDICATOR

14/07/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.25	4.50	(25.00)	(175.00)
10 Yr (bps)	7.09	7.07	1.80	(1.40)
USD/IDR	14,450.00	14,425.00	0.17%	3.81%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,079.12	0.29%	-19.37%	17.62
MSCI	5,794.77	0.58%	-20.49%	18.18
HSEI	25,477.89	-1.14%	-9.62%	11.75
FTSE	6,179.75	0.06%	-18.07%	18.88
DJIA	26,642.59	2.13%	-6.64%	24.25
NASDAQ	10,488.58	0.94%	16.90%	38.74

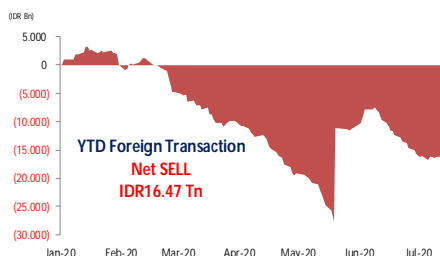
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	40.29	0.47%	-32.38%	-34.02%
COAL	USD/TON	52.50	0.57%	-29.39%	-22.45%
CPO	MYR/MT	2,502.00	3.01%	27.78%	-18.02%
GOLD	USD/TOZ	1,809.36	0.37%	27.95%	19.25%
TIN	USD/MT	17,310.00	-0.72%	-3.30%	0.79%
NICKEL	USD/MT	13,585.00	-0.92%	-0.59%	-3.14%

CORPORATE ACTION

TICKER	EVENT	NOTES
ROTI	Cum Dividend	IDR24.16/share
SRIL	Cum Dividend	IDR1/share
ICBP	RUPS	

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA climbed +2.13% on Tuesday (14/07) followed by S&P 500 (+1.34%) and Nasdaq (+0.94%). Stock market rises as Caterpillar leads (+4%) and sentiment also got a boost after Florida reported a daily Covid-19 case increase that was below a seven-day average. Meanwhile, earnings season kicked off in Tuesday with the latest quarterly results from big banks: JPMorgan Chase's and Citigroup's earnings beat analysts' estimates, but the firms' results highlighted the extraordinary economic uncertainty ahead and a worrisome outlook on the health of their corporate and consumer clients. We note that the strengthening was also driven by the statement of Fed Governor who kept interest rates in the range of 0%-0.25% until inflation returned to the target of 2%. More monetary and fiscal support from the Fed will continue to be done to encourage the economy to face the Covid-19 pandemic. Moreover, the market will look forward to several data releases today, such as: 1) US Industrial Production per June-2020; 2) China FDI per June-2020; 3) Japan BOJ Interest Rate Decision.

Domestic Updates

According to the Business Activity Survey (SKDU), business activity will potentially declined in the 2Q20. This can be seen from the weighted net balance (WNB) of -35.75% in 2Q20, which was deeper compared to the -5.56% decrease in 1Q20. Disruptions from Covid-19 further decreased business activity in all economic sectors, especially the manufacturing industry, trade, hotel, restaurant, and services sector. Consequently, all of the production capacity, use of labor, liquidity, and profitability showed a decline in the second quarter, making access to bank credit more difficult. Fortunately, respondents predicted that business activities will increase in 3Q20, with WNB of 0.52%. The mining sector is predicted to recover the most due to demand increase and favorable weather.

Company News

- KIJA IJ** recorded 1Q20 marketing sales of IDR111 billion and total sales of IDR473.3 billion, a 19% YoY decrease. Moreover, it suffered an IDR669.1 billion loss due to the effect of the exchange rate, totaling a net loss of IDR759.8 billion. To maintain investors' interest amidst the pandemic, they planned the expansion of selling online and the implementation of discounts. While property sales have been negatively affected, the management assured that there are still many inquiries from prospective buyers (Market Bisnis). **MNCS Comment: The weakening performance was due to the Covid-19 pandemics which impacted the property sector. KIJA is currently traded at 0.66x PBV.**
- STTP IJ** will give out dividends amounting to IDR100 billion from net income in FY19. This is equivalent to IDR76.34 per share, a 0.8% yield. Meanwhile, the dividend payout ratio is 20.72% of the total net profit, which is IDR482.59 billion. Cum dividend date will be on 20 July 2020. Overall, the company recorded a brilliant performance for FY19 net profit, gaining an 89.12% YoY increase (Market Bisnis). **MNCS Comment: Amidst the pandemic, STTP's performance remains solid and still distribute dividends. STTP is currently traded at 15.86x/4.86x PE/PBV.**
- BEEF IJ** recorded sales at IDR347.19 billion at the end of 1Q20, a 34.47% YoY increase. Its largest revenue share came from biological assets at IDR196.75 billion, then meat and beef products at IDR80.76 billion. Unfortunately, they also recorded a net loss of IDR32.67 billion. This is due to its drastic increase in expenses, such as the 60.36% increase in COGS (IDN Financials). **MNCS Comment: Despite the increase in revenue, BEEF cannot maintain cost efficiency resulting in a net loss. BEEF is currently traded at 1.18x PBV.**

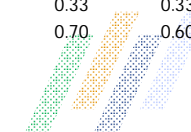
IHSG Updates

JCI increased by +0.29% to 5,079.12 on Tuesday (14/07), although followed by net foreign sell reaching IDR160 billion. The increase occurred amid the weakening on Regional Asia indices while the US indices rose yesterday. Furthermore, the market is expecting the release of Trade Balance data today, as the consensus estimates to be in a surplus. And then the market is looking forward for the announcement of BI 7DRR which is expected to be cut by 25 bps. Meanwhile, the Rupiah exchange rate against the USD was weakening at IDR14,450. We estimate JCI will move in the range of 5,009-5,111. **Today's recommendation: AALI, AKRA, GGRM, BBCA.**

Stock	Close Price	Recommendation	Tactical Moves
AALI	8,575	Buy on Weakness	Currently AALI is in the wave (iii) section of wave [v] of wave C.
AKRA	2,450	Buy on Weakness	Currently AKRA is at the end of wave [ii] of wave C.
GGRM	46,975	Buy on Weakness	Currently GGRM is at the end of wave [e] of wave B of the triangle pattern.
BBCA	31,000	Sell on Strength	Strengthening that occurred on BBCA yesterday (7/14), was part of wave v of wave (iii) of wave [iii].

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	200,394	3.54	BUY	5,500	(24.25)	25.37	12.19	9.72	1.00	0.94
Banking											
BBCA IJ	Bank Central Asia Tbk PT	764,305	13.36	HOLD	28,400	7.00	9.09	25.00	22.91	3.94	3.49
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	88,022	1.54	HOLD	4,300	(2.68)	5.97	5.88	5.55	0.76	0.70
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	391,006	6.84	HOLD	3,200	(7.81)	1.06	12.22	12.10	1.84	1.70
BMRI IJ	Bank Mandiri Persero Tbk PT	247,333	4.32	HOLD	5,100	(4.62)	9.13	9.44	8.65	1.12	1.03
BNGA IJ	Bank CIMB Niaga Tbk PT	19,854	0.35	HOLD	850	2.43	9.99	5.28	4.80	0.47	0.46
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	13,979	0.24	SELL	1,000	(24.98)	497.17	87.98	14.73	0.82	0.78
BRIS IJ	Bank Brisyariah Tbk PT	4,761	0.08	SELL	230	(32.21)	9.83	94.86	86.37	0.93	0.92
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	305,112	5.39	BUY	3,600	4.61	13.65	14.11	12.41	2.65	2.44
EXCL IJ	XL Axiata Tbk PT	31,797	0.56	HOLD	2,700	21.73	5.39	36.42	34.55	1.59	1.52
TOWR IJ	Sarana Menara Nusantara Tbk PT	54,331	0.96	SELL	950	13.11	8.81	21.05	19.35	5.13	4.53
Toll Road & Utilities											
JSMR IJ	Jasa Marga Persero Tbk PT	31,935	0.56	SELL	3,450	6.41	13.25	14.74	13.02	1.29	1.16
PGAS IJ	Perusahaan Gas Negara Tbk PT	28,241	0.50	HOLD	1,200	83.33	27.27	12.99	10.21	0.45	0.44
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	308,061	5.44	HOLD	8,400	1.60	6.48	41.01	38.51	35.87	33.71
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	110,205	1.95	HOLD	10,300	6.31	9.52	20.53	18.75	4.04	3.64
INDF IJ	Indofood Sukses Makmur Tbk PT	57,951	1.02	BUY	8,500	3.50	11.05	11.41	10.27	1.43	1.31
HOKI IJ	Buyung Poetra Sembada PT	1,575	0.03	HOLD	700	(26.89)	37.61	20.52	14.91	2.13	1.81
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	18,225	0.32	BUY	1,400	9.01	13.34	20.53	18.11	5.53	5.19
TBLA IJ	Tunas Baru Lampung Tbk PT	3,472	0.06	HOLD	630	(43.57)	5.01	8.56	8.15	0.65	0.62
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	70,547	1.25	SELL	1,280	4.28	7.25	26.99	25.16	4.00	3.68
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	28,298	0.50	SELL	1,400	(6.76)	6.90	29.19	27.30	5.19	4.74
ERAA IJ	Erajaya Swasembada Tbk PT	4,275	0.08	HOLD	1,280	13.54	66.00	12.83	7.73	0.77	0.69
MAPI IJ	Mitra Adiperkasa Tbk PT	11,620	0.21	SELL	580	4.92	5.28	12.21	11.59	1.55	1.35
RALS IJ	Ramayana Lestari Sentosa Tbk PT	4,080	0.07	SELL	500	(32.91)	25.56	8.85	7.05	0.91	0.86
PZZA IJ	Sarimelati Kencana PT	2,055	0.04	BUY	840	4.23	20.53	9.89	8.20	1.30	1.12
Construction											
ADHI IJ	Adhi Karya Persero Tbk PT	2,261	0.04	BUY	755	(74.40)	99.60	12.63	6.33	0.33	0.32
PTPP IJ	PP Persero Tbk PT	6,076	0.11	HOLD	1,040	40.73	28.86	4.64	3.60	0.33	0.31
WIKI IJ	Wijaya Karya Persero Tbk PT	11,257	0.20	HOLD	1,225	17.35	20.10	4.20	3.50	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	9,705	0.17	BUY	880	8.47	137.68	9.54	4.01	0.33	0.33
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,953	0.03	BUY	300	4.17	20.85	4.15	3.43	0.70	0.60



MNCS UNIVERSE

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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
Property												
BSDE IJ	Bumi Serpong Damai Tbk PT	15,879	0.28	BUY	1,110	(7.75)	12.60	5.53	4.91	0.40	0.37	
PWON IJ	Pakuwon Jati Tbk PT	19,938	0.35	BUY	520	(9.02)	(3.70)	8.33	8.65	1.14	1.02	
SMRA IJ	Summarecon Agung Tbk PT	8,512	0.15	HOLD	610	(69.64)	44.19	54.43	37.75	0.89	0.87	
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	8,917	0.16	BUY	228	(30.89)	31.52	9.66	7.35	1.48	1.65	
Agriculture												
AALI IJ	Astra Agro Lestari Tbk PT	16,504	0.29	HOLD	9,125	240.96	15.24	22.93	19.90	0.86	0.82	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,072	0.11	BUY	1,000	27.51	22.68	18.86	15.38	1.08	0.93	
Coal Mining												
ADRO IJ	Adaro Energy Tbk PT	36,944	0.65	BUY	1,310	(18.31)	0.59	6.86	6.82	0.55	0.53	
PTBA IJ	Bukit Asam Tbk PT	24,654	0.44	BUY	2,390	(16.98)	4.55	6.95	6.65	1.32	1.30	
ITMG IJ	Indo Tambangraya Megah Tbk PT	8,616	0.15	BUY	10,630	(58.33)	(20.00)	9.36	11.69	0.34	0.29	
Metal Mining												
ANTM IJ	Aneka Tambang Tbk	15,860	0.28	BUY	920	26.09	42.23	13.26	9.32	0.72	0.67	
INCO IJ	Vale Indonesia Tbk PT	32,293	0.57	BUY	3,590	13.79	2.00	39.88	39.10	1.00	0.97	
MDKA IJ	Merdeka Copper Gold Tbk PT	33,065	0.58	HOLD	1,595	(21.21)	25.00	23.16	18.53	3.09	2.44	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	103,717	1.83	SELL	4,150	9.82	15.94	27.07	23.35	4.31	3.83	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,661	0.24	HOLD	1,060	2.99	15.17	7.49	6.50	1.12	1.01	
Cigarette												
GGRM IJ	Gudang Garam Tbk PT	90,384	1.60	BUY	55,450	(16.02)	8.63	9.89	9.11	1.69	1.55	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	198,904	3.51	BUY	2,500	(6.78)	3.44	15.54	15.03	5.57	5.58	
Cement												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	42,978	0.76	BUY	13,900	19.34	12.44	19.62	17.45	1.83	1.79	
SMGR IJ	Semen Indonesia Persero Tbk PT	57,239	1.01	HOLD	9,000	30.77	(33.40)	18.31	27.49	1.70	1.65	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	2,702	0.05	BUY	450	18.73	7.01	10.54	9.85	1.74	1.36	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	68,355	1.21	HOLD	19,930	(18.84)	13.03	7.44	6.59	1.01	0.88	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	13.77	1.77
JAKCONS INDEX	17.18	3.77
JAKINFRA INDEX	24.95	2.00
JAKBIND INDEX	35.28	1.87
JAKTRAD INDEX	14.17	1.25
JAKPROP INDEX	20.60	0.29
JAKMINE INDEX	11.10	1.02
JAKMIND INDEX	10.53	1.14
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





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