

KEY INDICATOR

16/07/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	7.04	7.07	(3.60)	(7.10)
USD/IDR	14,625.00	14,588.00	0.25%	5.07%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,098.37	0.44%	-19.07%	17.74
MSCI	5,814.72	0.61%	-20.22%	18.29
HSEI	24,970.69	-2.00%	-11.42%	11.51
FTSE	6,250.69	-0.67%	-17.13%	19.24
DJIA	26,734.71	-0.50%	-6.32%	24.26
NASDAQ	10,473.83	-0.73%	16.73%	38.64

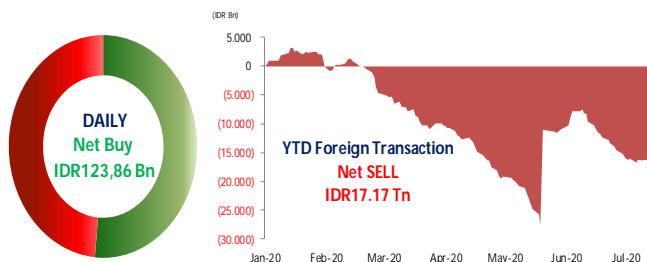
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	40.75	-1.09%	-31.60%	-33.26%
COAL	USD/TON	52.35	-0.48%	-29.59%	-22.67%
CPO	MYR/MT	2,520.00	-1.72%	28.70%	-17.43%
GOLD	USD/TOZ	1,797.16	-0.73%	27.09%	18.45%
TIN	USD/MT	17,370.00	0.52%	-2.96%	1.14%
NICKEL	USD/MT	13,459.00	-0.51%	-1.51%	-4.04%

CORPORATE ACTION

TICKER	EVENT	NOTES
ELSA	Ex Dividend	IDR12.21/share
SMCB	Cum Dividend	IDR3.6/share
TCPI	Cum Dividend	IDR5/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA slipped by -0.50% on Thursday (16/07) followed by S&P 500 (-0.34%) and Nasdaq (-0.73%). The worsening of the labor force data has weakened the global stock exchange. US new jobless claims data increased by 1.3 million (exceeding 1.25 million expectations). Although continuing jobless claims fell at 17.3 million (previously 18 million) and retail sales data increased to 7.5%, this has not been able to significantly boost the stock exchange rate. Moreover, the market will look forward to several data releases today, such as: 1) US Consumer Sentiment; 2) UK Consumer Confidence; 3) Eurozone Core Inflation Rate.

Domestic Updates

BI has decided to reduce the BI 7-Day Reverse Repo Rate by 25 bps to 4%, the Deposit Facility Interest rate by 25 bps to 3.35%, and Lending Facility interest rate by 25 bps to 4.75%. This decision is to support the economic recovery in the Covid-19 pandemic while maintaining the inflation rate low and exchange rate stable. BI will also put more emphasis on monetary expansion by accelerating the government's fiscal stimulus. BI will also commit to assist the government in expediting the recovery of corporations and SMEs.

Company News

- ADHI IJ** booked nearly IDR4 trillion of the contract value in the 1H20. Previously, the company was aiming for new contracts amounting to IDR35 trillion, with revenues and profits targeted to reach IDR22.7 trillion and IDR704 billion, respectively. Adjusting to the impact of Covid-19, the company is trying to revise new targets. Nonetheless, the company had already cut capital expenditure allocation from IDR5.5 trillion to IDR1.4 trillion (Market Bisnis). **MNCS Comment: We consider the plan to revise the targets in FY20E quite realistic, due to the lack of infrastructure growth at this time. ADHI is currently traded at 0.41x PBV.**
- ASII IJ** began to see its rise in sales in June 2020, recording a significant growth of sales of 340% MoM. The company sold 4,856 units in June, in comparison to 1,102 units in May. In contrast, it sold above 40,000 units per month in 1Q20. Management hopes that this recovery will continue. The domestic 4W vehicle market as a whole saw a drop in sales in May when only a total of 3,551 units were sold in the market (Market Bisnis). **MNCS Comment: ASII is benefited from the economic recovery as people's purchasing power seem to rise with the increase of car sales. ASII is currently traded at 11.05x/1.38x PE/PBV.**
- ARNA IJ** recorded a decrease in revenue by 4.88% YoY to IDR995.68 billion in 1Q20. Nonetheless, they still recorded a brilliant performance of 1H20 net income amounting to IDR120.64 billion, which is an 18.16% YoY growth, despite the presence of Covid-19. Management said the increase in net income is due to the rise of the average selling price and a decrease in COGS, even though the volume of sales has decreased. Management is still confident that it can maintain its projected net profit of IDR264 billion by the end of the year (Market Bisnis). **MNCS Comment: We believe ARNA will maintain the good performance of the company by preserving its ceramic tiles quality, while continue to grow and extend its domestic expansion on high-end tiles. Any government-mandated gas price reduction would be a further boost for ARNA, as gas accounts for ~32% of costs. ARNA is currently traded at 12.73x/2.82x PE/PBV.**

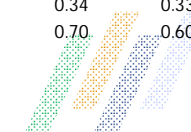
IHSG Updates

JCI increased by +0.44% to 5,098.37 on Thursday (16/07), followed by net foreign buy reaching IDR123.86 billion. The increase occurred amid the weakening on the global and regional Asia indices while the domestic market responds to the 25bps rate cut by BI to 4%. In addition, BI has also added bank liquidity of IDR633 trillion to date to stimulate a sluggish economy. Furthermore, the large scale social restriction will be extended as of yesterday. Meanwhile, the Rupiah exchange rate against the USD was weakening at IDR14,625. We estimate JCI will move in the range of 5,022-5,111 while waiting for motorbike sales data release. **Today's recommendation: WEGE, UNTR, MEDC, HMSP.**

Stock	Close Price	Recommendation	Tactical Moves
WEGE	204	Buy on Weakness	As long as WEGE does not break the support at 187, then WEGE is currently in the wave [b] section of wave 5.
UNTR	18,325	Buy on Weakness	Currently UNTR is at the end of wave (iv) of wave [c] of wave 3.
MEDC	488	Buy on Breakout	Currently MEDC is part of wave (iii) of wave [c] of wave Y.
HMSP	1,850	Sell on Strength	The current position of HMSP is at the end of wave iii of wave (iii), so the strengthening will quietly limited.

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	212,539	3.74	HOLD	5,500	(24.25)	25.37	12.93	10.31	1.06	0.99
Banking											
BBCA IJ	Bank Central Asia Tbk PT	761,840	13.27	HOLD	28,400	7.00	9.09	24.92	22.84	3.93	3.48
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	87,649	1.53	HOLD	4,300	(2.68)	5.97	5.85	5.52	0.76	0.69
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	387,306	6.75	HOLD	3,200	(7.81)	1.06	12.11	11.98	1.83	1.69
BMRI IJ	Bank Mandiri Persero Tbk PT	246,167	4.29	HOLD	5,100	(4.62)	9.13	9.39	8.61	1.11	1.02
BNGA IJ	Bank CIMB Niaga Tbk PT	19,728	0.34	HOLD	850	2.43	9.99	5.24	4.77	0.46	0.45
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	4,780	0.08	SELL	230	(32.21)	9.83	95.25	86.72	0.93	0.92
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	307,093	5.40	BUY	3,600	4.61	13.65	14.20	12.49	2.67	2.46
EXCL IJ	XL Axiata Tbk PT	30,726	0.54	HOLD	2,700	21.73	5.39	35.19	33.39	1.53	1.47
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	31,862	0.56	SELL	3,450	6.41	13.25	14.71	12.99	1.29	1.16
PGAS IJ	Perusahaan Gas Negara Tbk PT	28,120	0.49	HOLD	1,200	83.33	27.27	12.94	10.17	0.45	0.43
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	309,015	5.44	HOLD	8,400	1.60	6.48	41.14	38.63	35.98	33.81
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	111,663	1.96	HOLD	10,300	6.31	9.52	20.80	19.00	4.09	3.69
INDF IJ	Indofood Sukses Makmur Tbk PT	58,170	1.02	BUY	8,500	3.50	11.05	11.45	10.31	1.44	1.32
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	18,300	0.32	BUY	1,400	9.01	13.34	20.61	18.18	5.56	5.21
TBLA IJ	Tunas Baru Lampung Tbk PT	3,579	0.06	HOLD	630	(43.57)	5.01	8.83	8.40	0.67	0.64
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	69,610	1.22	SELL	1,280	4.28	7.25	26.63	24.83	3.94	3.63
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	4,386	0.08	HOLD	1,280	13.54	66.00	13.16	7.93	0.79	0.71
MAPI IJ	Mitra Adiperkasa Tbk PT	11,454	0.20	SELL	580	4.92	5.28	12.03	11.43	1.52	1.33
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	2,025	0.04	BUY	840	4.23	20.53	9.74	8.08	1.28	1.11
Construction											
ADHI IJ	Adhi Karya Persero Tbk PT	2,297	0.04	BUY	755	(74.40)	99.60	12.83	6.43	0.34	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	11,347	0.20	HOLD	1,225	17.35	20.10	4.23	3.52	0.60	0.52
WSBP IJ	Waskita Beton Precast Tbk PT	5,483	0.10	BUY	262	(29.90)	18.70	9.02	7.60	0.61	0.60
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	1,953	0.03	BUY	300	4.17	20.85	4.15	3.43	0.70	0.60



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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	20,612	0.36	BUY	520	(9.02)	(3.70)	8.61	8.94	1.18	1.06	
SMRA IJ	Summarecon Agung Tbk PT	8,728	0.15	HOLD	610	(69.64)	44.19	55.81	38.71	0.91	0.89	
CTRA IJ	Ciputra Development Tbk PT	12,157	0.21	BUY	880	8.58	(11.20)	9.73	10.96	0.74	0.70	
DMAS IJ	Puradelta Lestari Tbk PT	9,350	0.16	BUY	228	(30.89)	31.52	10.13	7.71	1.55	1.73	
Agriculture												
AALI IJ	Astra Agro Lestari Tbk PT	17,274	0.30	HOLD	9,125	240.96	15.24	24.00	20.82	0.90	0.86	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,413	0.11	HOLD	1,000	27.51	22.68	19.92	16.24	1.14	0.98	
Coal Mining												
ADRO IJ	Adaro Energy Tbk PT	35,504	0.62	BUY	1,310	(18.31)	0.59	6.60	6.56	0.53	0.51	
PTBA IJ	Bukit Asam Tbk PT	24,424	0.43	BUY	2,390	(16.98)	4.55	6.88	6.58	1.30	1.28	
ITMG IJ	Indo Tambangraya Megah Tbk PT	8,672	0.15	BUY	10,630	(58.33)	(20.00)	9.42	11.77	0.34	0.29	
Metal Mining												
ANTM IJ	Aneka Tambang Tbk	15,620	0.27	BUY	920	26.09	42.23	13.05	9.18	0.71	0.66	
INCO IJ	Vale Indonesia Tbk PT	31,697	0.56	BUY	3,590	13.79	2.00	39.14	38.37	0.98	0.95	
MDKA IJ	Merdeka Copper Gold Tbk PT	32,518	0.57	HOLD	1,595	(21.21)	25.00	22.78	18.22	3.03	2.40	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	101,258	1.78	SELL	4,150	9.82	15.94	26.43	22.79	4.20	3.74	
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	96,253	1.69	BUY	55,450	(16.02)	8.63	10.53	9.70	1.80	1.65	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	215,188	3.79	BUY	2,500	(6.78)	3.44	16.82	16.26	6.02	6.04	
Cement												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	44,083	0.78	BUY	13,900	19.34	12.44	20.13	17.90	1.87	1.84	
SMGR IJ	Semen Indonesia Persero Tbk PT	55,756	0.98	HOLD	9,000	30.77	(33.40)	17.84	26.78	1.65	1.60	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	3,083	0.05	HOLD	450	18.73	7.01	12.03	11.24	1.98	1.56	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	68,355	1.20	HOLD	19,930	(18.84)	13.03	7.44	6.59	1.01	0.88	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	13.68	1.76
JAKCONS INDEX	17.58	3.85
JAKINFRA INDEX	25.09	2.01
JAKBIND INDEX	35.51	1.87
JAKTRAD INDEX	14.14	1.25
JAKPROP INDEX	20.67	0.29
JAKMINE INDEX	10.94	1.00
JAKMIND INDEX	11.00	1.19
JAKAGRI INDEX	-	0.87

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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