

KEY INDICATOR

20/07/2020	LAST PRICE	PREV	CHG	YoY
7-Day RR (bps)	4.00	4.25	(25.00)	(200.00)
10 Yr (bps)	7.08	7.07	1.50	(12.00)
USD/IDR	14,785.00	14,703.00	0.56%	6.02%

INDICES

MARKET INDEX	LAST PRICE	CHANGE	YTD	PE (x)
IHSG	5,051.11	-0.56%	-19.82%	17.60
MSCI	5,733.30	-0.64%	-21.34%	18.10
HSEI	25,057.99	-0.12%	-11.11%	11.56
FTSE	6,261.52	-0.46%	-16.98%	19.41
DJIA	26,680.87	0.03%	-6.51%	24.00
NASDAQ	10,767.09	2.51%	20.00%	39.75

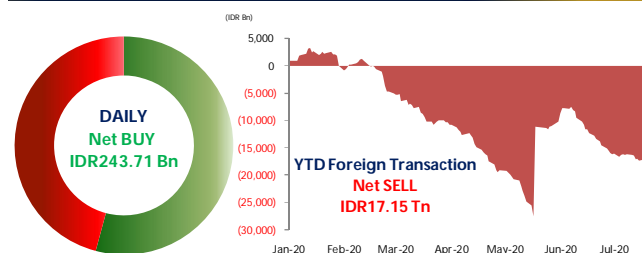
COMMODITIES

COMM.	UNIT	LAST PRICE	CHANGE	YoY	YTD
WTI	USD/BRL	40.81	0.54%	-27.41%	-33.16%
COAL	USD/TON	52.00	-0.38%	-30.20%	-23.19%
CPO	MYR/MT	2,661.00	1.80%	34.19%	-12.81%
GOLD	USD/TOZ	1,817.77	0.41%	27.57%	19.81%
TIN	USD/MT	17,360.00	0.17%	-3.02%	1.08%
NICKEL	USD/MT	13,236.00	0.12%	-7.44%	-5.63%

CORPORATE ACTION

TICKER	EVENT	NOTES
KEJU	Cum Dividend	IDR80/share
DUTI	Ex Dividend	IDR300/share
STTP	Ex Dividend	IDR76.34/share

NET FOREIGN TRADING VALUE



Sources: Bloomberg LP, MNCS

Global Market Highlight

DJIA was flat by 0.03% on Monday (20/07) while Nasdaq jumped (+2.51%) followed by S&P 500 (+0.84%). Stock rose supported by a rally in tech stocks and continued optimism about the prospects of a Covid-19 vaccine being ready for production later this year. Market are also hoping on more fiscal stimulus. Furthermore, investors are weighing another heavy calendar of earnings reports this week, including from Coca-Cola Co., Lockheed Martin Corp., and United Airlines Holdings Inc. which S&P 500 companies are projected to report a 44% drop in earnings for the 2Q20. Moreover, the market will look forward to several data releases today, such as: 1) US Chicago Fed National Activity Index per June-2020; 2) Japan Inflation Rate per June-2020; 3) Eurozone ECB Guindos Speech.

Domestic Updates

BI stated that interest rate will potentially has another decline due to the ongoing global economic contraction and Indonesia's economic growth in 2Q20. The decision was made to keep inflation low, maintain external stability, and further encourage economic recovery. Meanwhile, national economic growth in 2Q20 is expected to experience a contraction, with the lowest level in May 2020. However, the latest developments in June 2020 show that the economy has begun to improve along with the relaxation of PSBB, although it has not yet returned to pre-pandemic levels. Bank Indonesia strengthens interest rate policy with 4 policy steps, as the following: 1) BI will continue to stabilize the Rupiah exchange rate according to the fundamental values and market mechanisms; 2) BI will strengthen the synergy of monetary expansion by accelerating the government's fiscal stimulus; 3) BI will improve coordination of policy steps with the government and KSSK to maintain macroeconomic stability and financial systems; 4) BI will accelerate the digitization of the payment system to implement a digital economy and finance as part of the economic recovery efforts.

Company News

- MEDC IJ** stated that it will cut 2020 capital expenditure allocation from USD340 million to only USD240 million. It will also cut its production target, which was originally 110 thousand barrels of oil per day to be in the range of 100-105 thousand due to the fluctuation of oil prices and the decrease in demand. Nonetheless, it announced that the Meliwi Field, located in Madura, East Java, had started production on July 13, 2020. Management said that despite the logistic and operational issues due to Covid-19, the company is able to finish the development (Market Bisnis). **MNCS Comment: We consider MEDC plan is quite realistic during Covid-19. Oil price was sluggish to level USD40/barrel while cost production increased. MEDC is currently traded at 0.50x PBV.**
- POWR IJ** stated that it has prepared up to IDR146.32 billion for a buyback that will be carried out in stages within 18 months. Meanwhile, POWR is also distributing dividends amounting to USD72.65 million, which is 64% of the company's FY19 net profit of USD113.53 million. Almost USD28 million were distributed already on December 27, 2019, thus only the remaining USD44.68 million will be distributed. Dividend per share stood at IDR41 per share with 6.83% yield. Cum dividend date is July 29, 2020 (Market Bisnis). **MNCS Comment: We believe POWR still provide an attractive dividend yield at 6.83%, higher compare to previous year at 4.15%. POWR is currently traded at 0.89x PBV.**
- BALI IJ** recorded a revenue increase of 26.19% YoY to IDR371.78 billion. Revenue grew thanks to the acquisition of business lines in the tower sector that garnered IDR251.76 billion. Meanwhile, the company scored a net profit of IDR31.18 billion, which is a 27.42% YoY increase. In terms of assets, BALI recorded a 6.53% QoQ increase to IDR 4.41 trillion (Market Bisnis). **MNCS Comment: BALI is still managed a good performing in operational side amid the current economic condition. Overall, we are Overweight on Telco and Tower sector as they might have enjoyed a short term benefit of rising demand. BALI is currently traded at 1.64x PBV.**

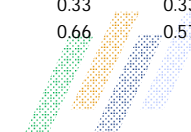
IHSG Updates

JCI decreased by -0.56% to 5,051.11 on Monday (20/07) although followed by net foreign buy reaching IDR243.71 billion. These weakening occurred amid various movements of the global and regional Asia indices. This is followed by the weakening of the foreign exchange which is a result from the global sentiments and pressure on the emerging markets. So investors seem to steer clear of instruments or markets that they consider to be high risk. Meanwhile, the Rupiah exchange rate against the USD was weakening at IDR14,785. We estimate JCI will move in the range of 5,022-5,111 while waiting for Loan Growth data release. **Today's recommendation: KLBF, BSDE, BBTN, INDF.**

Stock	Close Price	Recommendation	Tactical Moves
KLBF	1,485	Buy on Weakness	As long as the KLBF is not corrected below 1.450, KLBF is currently at the beginning of wave [v] of wave C.
BSDE	715	Buy on Weakness	Currently BSDE still has the potential to be corrected to form wave [y] of wave B.
BBTN	1,240	Buy on Weakness	Currently BBTN is in the wave [ii] section of wave C.
INDF	6,600	Sell on Strength	As long as the INDF has not been able to close higher above 6.750, the INDF will be vulnerable to correction to form wave (c) of wave [ii].

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	206,466	3.67	HOLD	5,500	(24.25)	25.37	12.56	10.02	1.03	0.97
Banking											
BBCA IJ	Bank Central Asia Tbk PT	756,909	13.31	HOLD	28,400	7.00	9.09	24.76	22.69	3.90	3.46
BBNI IJ	Bank Negara Indonesia Persero Tbk PT	84,665	1.49	HOLD	4,300	(2.68)	5.97	5.65	5.34	0.73	0.67
BBRI IJ	Bank Rakyat Indonesia Persero Tbk PT	376,205	6.61	HOLD	3,200	(7.81)	1.06	11.76	11.64	1.77	1.64
BMRI IJ	Bank Mandiri Persero Tbk PT	238,000	4.18	HOLD	5,100	(4.62)	9.13	9.08	8.32	1.08	0.99
BNGA IJ	Bank CIMB Niaga Tbk PT	19,728	0.35	HOLD	850	2.43	9.99	5.24	4.77	0.46	0.45
BBTN IJ	Bank Tabungan Negara Persero Tbk PT	13,132	0.23	SELL	1,000	(24.98)	497.17	82.65	13.84	0.77	0.74
BRIS IJ	Bank Brisyariah Tbk PT	4,605	0.08	SELL	230	(32.21)	9.83	91.76	83.55	0.90	0.89
Telco											
TLKM IJ	Telekomunikasi Indonesia Persero Tbk PT	303,130	5.38	BUY	3,600	4.61	13.65	14.02	12.33	2.63	2.43
EXCL IJ	XL Axiata Tbk PT	30,726	0.55	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	30,773	0.55	SELL	3,450	6.41	13.25	14.21	12.55	1.24	1.12
PGAS IJ	Perusahaan Gas Negara Tbk PT	27,635	0.49	HOLD	1,200	83.33	27.27	12.72	9.99	0.44	0.43
Consumer											
UNVR IJ	Unilever Indonesia Tbk PT	309,969	5.50	HOLD	8,400	1.60	6.48	41.26	38.75	36.10	33.91
ICBP IJ	Indofood CBP Sukses Makmur Tbk PT	108,747	1.93	BUY	10,300	6.31	9.52	20.26	18.50	3.98	3.59
INDF IJ	Indofood Sukses Makmur Tbk PT	57,951	1.03	BUY	8,500	3.50	11.05	11.41	10.27	1.43	1.31
HOKI IJ	Buyung Poetra Sembada PT	1,563	0.03	HOLD	700	(26.89)	37.61	20.36	14.80	2.11	1.79
SIDO IJ	Industri Jamu Dan Farmasi Sido Muncul Tbk PT	18,150	0.32	BUY	1,400	9.01	13.34	20.44	18.04	5.51	5.17
TBLA IJ	Tunas Baru Lampung Tbk PT	3,820	0.07	SELL	630	(43.57)	5.01	9.42	8.97	0.71	0.68
Pharmacy											
KLBF IJ	Kalbe Farma Tbk PT	69,610	1.24	SELL	1,280	4.28	7.25	26.63	24.83	3.94	3.63
Retail											
ACES IJ	Ace Hardware Indonesia Tbk PT	26,668	0.47	HOLD	1,400	(6.76)	6.90	27.51	25.73	4.89	4.47
ERAA IJ	Erajaya Swasembada Tbk PT	4,626	0.08	SELL	1,280	13.54	66.00	13.88	8.36	0.83	0.75
MAPI IJ	Mitra Adiperkasa Tbk PT	11,371	0.20	SELL	580	4.92	5.28	11.94	11.34	1.51	1.32
RALS IJ	Ramayana Lestari Sentosa Tbk PT	3,938	0.07	HOLD	500	(32.91)	25.56	8.55	6.81	0.88	0.83
PZZA IJ	Sarimelati Kencana PT	1,949	0.03	BUY	840	4.23	20.53	9.38	7.78	1.23	1.06
Construction											
ADHI IJ	Adhi Karya Persero Tbk PT	2,226	0.04	BUY	755	(74.40)	99.60	12.43	6.23	0.33	0.31
PTPP IJ	PP Persero Tbk PT	5,952	0.11	HOLD	1,040	40.73	28.86	4.55	3.53	0.32	0.30
WIKI IJ	Wijaya Karya Persero Tbk PT	10,809	0.19	HOLD	1,225	17.35	20.10	4.03	3.36	0.57	0.50
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	9,638	0.17	BUY	880	8.47	137.68	9.47	3.99	0.33	0.33
WEGE IJ	Wijaya Karya Bangunan Gedung Tbk PT	1,857	0.03	BUY	300	4.17	20.85	3.95	3.27	0.66	0.57



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						FY20E	FY21F	FY20E	FY21F	FY20E	FY21F	
Property												
BSDE IJ	Bumi Serpong Damai Tbk PT	15,138	0.27	BUY	1,110	(7.75)	12.60	5.27	4.68	0.38	0.35	
PWON IJ	Pakuwon Jati Tbk PT	20,131	0.36	BUY	520	(9.02)	(3.70)	8.41	8.73	1.15	1.03	
SMRA IJ	Summarecon Agung Tbk PT	8,223	0.15	HOLD	610	(69.64)	44.19	52.58	36.47	0.86	0.84	
CTRA IJ	Ciputra Development Tbk PT	11,600	0.21	BUY	880	8.58	(11.20)	9.28	10.46	0.71	0.67	
DMAS IJ	Puradelta Lestari Tbk PT	10,218	0.18	HOLD	228	(30.89)	31.52	11.07	8.42	1.70	1.90	
Agriculture												
AALI IJ	Astra Agro Lestari Tbk PT	18,140	0.32	HOLD	9,125	240.96	15.24	25.20	21.87	0.94	0.90	
LSIP IJ	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT	6,755	0.12	HOLD	1,000	27.51	22.68	20.98	17.10	1.20	1.04	
Coal Mining												
ADRO IJ	Adaro Energy Tbk PT	36,144	0.64	BUY	1,310	(18.31)	0.59	6.71	6.67	0.54	0.52	
PTBA IJ	Bukit Asam Tbk PT	23,963	0.43	BUY	2,390	(16.98)	4.55	6.75	6.46	1.28	1.26	
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	0.28	BUY	920	26.09	42.23	13.05	9.18	0.71	0.66	
INCO IJ	Vale Indonesia Tbk PT	31,101	0.55	BUY	3,590	13.79	2.00	38.40	37.65	0.96	0.93	
MDKA IJ	Merdeka Copper Gold Tbk PT	32,299	0.57	HOLD	1,595	(21.21)	25.00	22.62	18.10	3.01	2.38	
Poultry												
CPIN IJ	Charoen Pokphand Indonesia Tbk PT	98,798	1.75	SELL	4,150	9.82	15.94	25.78	22.24	4.10	3.64	
JPFA IJ	Japfa Comfeed Indonesia Tbk PT	13,075	0.23	HOLD	1,060	2.99	15.17	7.17	6.22	1.07	0.96	
Cigarette												
GGRM IJ	Gudang Garam Tbk PT	94,858	1.68	BUY	55,450	(16.02)	8.63	10.38	9.56	1.77	1.63	
HMSP IJ	Hanjaya Mandala Sampoerna Tbk PT	213,444	3.79	BUY	2,500	(6.78)	3.44	16.68	16.13	5.97	5.99	
Cement												
INTP IJ	Indocement Tunggul Prakarsa Tbk PT	44,175	0.78	BUY	13,900	19.34	12.44	20.17	17.94	1.88	1.84	
SMGR IJ	Semen Indonesia Persero Tbk PT	56,053	1.00	HOLD	9,000	30.77	(33.40)	17.93	26.92	1.66	1.61	
Basic Industry and Chemical												
ARNA IJ	Arwana Citramulia Tbk PT	3,274	0.06	HOLD	450	18.73	7.01	12.77	11.94	2.10	1.65	
Heavy Equipment												
UNTR IJ	United Tractors Tbk PT	68,634	1.22	HOLD	19,930	(18.84)	13.03	7.47	6.61	1.02	0.88	

SECTOR RATIO

SECTOR	PE	PBV
JAKFIN INDEX	13.45	1.73
JAKCONS INDEX	17.43	3.83
JAKINFRA INDEX	24.84	1.99
JAKBIND INDEX	35.52	1.88
JAKTRAD INDEX	14.16	1.25
JAKPROP INDEX	23.23	0.29
JAKMINE INDEX	10.96	1.00
JAKMIND INDEX	10.76	1.16
JAKAGRI INDEX	-	0.91

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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